S. Hrg. 98-1287

MILITARY CONSTRUCTION AUTHORIZATION AND APPROPRIATION FOR FISCAL YEAR 1985

JOINT HEARINGS

BEFORE THE

SUBCOMMITTEE ON MILITARY CONSTRUCTION

OF THE

COMMITTEE ON ARMED SERVICES

ON

S. 2364

A BILL TO AUTHORIZE CERTAIN CONSTRUCTION AT MILITARY INSTALLATIONS FOR FISCAL YEAR 1985, AND FOR OTHER PURPOSES

AND THE

SUBCOMMITTEE ON MILITARY CONSTRUCTION

OF THE

COMMITTEE ON APPROPRIATIONS

ON

H.R. 5898

AN ACT MAKING APPROPRIATIONS FOR MILITARY CONSTRUCTION FOR THE DEPARTMENT OF DEFENSE FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1985, AND FOR OTHER PURPOSES

UNITED STATES SENATE

NINETY-EIGHTH CONGRESS

SECOND SESSION

MARCH 20, 21, 22, 23, 1984

Printed for the use of the Committee on Armed Services
and the Committee on Appropriations

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MILITARY CONSTRUCTION AUTHORIZATION AND APPROPRIATION, FISCAL YEAR 1985

TUESDAY, MARCH 20, 1984

U.S. SENATE, SUBCOMMITTEE ON MILITARY CONSTRUCTION OF THE COMMITTEE ON ARMED SERVICES, SUBCOMMITTEE ON MILITARY CONSTRUCTION OF THE COMMITTEE ON APPROPRIATIONS,

Washington, DC.

The subcommittees met jointly, pursuant to notice, at 2:08 p.m., in room SR-222, Russell Senate Office Building, Senator Strom Thurmond (chairman of the Subcommittee on Military Construction, Committee on Armed Services) and Mack Mattingly (chairman of the Subcommittee on Military Construction, Committee on Appropriations) presiding.

Armed Services Subcommittee on Military Construction members present: Senators Strom Thurmond, John W. Warner, and Jeff Bingaman.

Appropriations Subcommittee on Military Construction members present: Senators Mack Mattingly and Jim Sasser.

Armed Services Committee staff members present: Jeffery H. Smith, minority counsel, Drew A. Harker, George K. Johnson, Jr., and James C. Smith, professional staff members, and Marie Fabrizio Dickinson, staff assistant.

Armed Services Committee members assistants present: Les Brownlee, assistant to Senator Warner; Ronald P. Kelly, assistant to Senator Humphrey; Bernard R. Toon, assistant to Senator Quayle; Mary A. Shields, assistant to Senator Stennis; Jeffery B. Subko, assistant to Senator Exon; Edward McGaffigan, Jr., and Michael A. Fainberg, assistants to Senator Bingaman.

Appropriations Committee members assistant present: Rick Pierce, assistant to Senator Mattingly.

[The bill S. 2364 follows:]

II

98TH CONGRESS
2D SESSION

S. 2364

To authorize certain construction at military installations for fiscal year 1985, and for other purposes.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 28 (legislative day, FEBRUARY 27), 1984

Mr. THURMOND (for himself and Mr. BINGAMAN) (by request) introduced the following bill; which was read twice and referred to the Committee on Armed Services

---

A BILL

To authorize certain construction at military installations for fiscal year 1985, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Military Construction Authorization Act, 1985".

TITLE I—ARMY

AUTHORIZED ARMY CONSTRUCTION AND LAND ACQUISITION PROJECTS

SEC. 101. The Secretary of the Army may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations:

Inside the United States

UNITED STATES ARMY FORCES COMMAND

Fort Bragg, North Carolina, $60,910,000.

Fort Campbell, Kentucky, $21,590,000.

Fort Carson, Colorado, $31,800,000.

Fort Devens, Massachusetts, $4,730,000.

Fort Drum, New York, $4,740,000.

Fort Hood, Texas, $31,390,000.

Fort Irwin, California, $17,920,000.

Fort Lewis, Washington, $359,730,000.

Fort Meade, Maryland, $5,900,000.

Fort Ord, California, $14,960,000.

Fort Polk, Louisiana, $39,250,000.

Fort Richardson, Alaska, $7,350,000.

Fort Riley, Kansas, $33,800,000.

Fort Stewart, Georgia, $66,450,000.

Presidio of San Francisco, California, $21,200,000.

UNITED STATES ARMY WESTERN COMMAND

Hawaii, Various, $2,980,000.

Helemano Military Reservation, Hawaii, $4,650,000.

Schofield Barracks, Hawaii, $37,070,000.

UNITED STATES ARMY TRAINING AND DOCTRINE COMMAND

Fort Belvoir, Virginia, $42,400,000.

Fort Benning, Georgia, $37,650,000.

Fort Bliss, Texas, $24,550,000.

Fort Dix, New Jersey, $17,650,000.

Fort Eustis, Virginia, $3,300,000.

Fort Gordon, Georgia, $12,400,000.

Fort Jackson, South Carolina, $24,960,000.

Fort Knox, Kentucky, $14,400,000.

Fort Leavenworth, Kansas, $11,000,000.

Fort Lee, Virginia, $1,150,000.

Fort Leonard Wood, Missouri, $6,450,000.

Fort McClellan, Alabama, $6,300,000.

Fort Rucker, Alabama, $2,600,000.

Fort Sill, Oklahoma, $27,400,000.

Fort Story, Virginia, $6,100,000.

MILITARY DISTRICT OF WASHINGTON

Fort Myer, Virginia, $700,000.

UNITED STATES ARMY MATERIEL DEVELOPMENT AND READINESS COMMAND

Aberdeen Proving Ground, Maryland, $47,600,000.

Anniston Army Depot, Alabama, $4,500,000.

Corpus Christi Army Depot, Texas, $650,000.

Crane Army Ammunition Activity, Indiana, $3,600,000.

Fort Monmouth, New Jersey, $15,650,000.

Hawthorne Army Ammunition Plant, Nevada, $3,400,000.

New Cumberland Army Depot, Pennsylvania, $7,800,000.

Picatinny Arsenal, New Jersey, $9,780,000.

Pine Bluff Arsenal, Arkansas, $2,550,000.

Radford Army Ammunition Plant, Virginia, $26,000,000.

Red River Army Depot, Texas, $830,000.

Redstone Arsenal, Alabama, $1,900,000.

Rock Island Arsenal, Illinois, $50,900,000.

Seneca Army Depot, New York, $6,900,000.

Sharpe Army Depot, California, $49,000,000.

Sierra Army Depot, California, $4,150,000.

Tobyhanna Army Depot, Pennsylvania, $810,000.

White Sands Missile Range, New Mexico, $2,250,000.

Yuma Proving Ground, Arizona, $1,300,000.

AMMUNITION FACILITIES

Holston Army Ammunition Plant, Tennessee, $19,840,000.

Indiana Army Ammunition Plant, Indiana, $1,900,000.

Iowa Army Ammunition Plant, Iowa, $1,790,000.

Louisiana Army Ammunition Plant, Louisiana, $1,600,000.

Radford Army Ammunition Plant, Virginia, $2,940,000.

Scranton Army Ammunition Plant, Pennsylvania, $2,050,000.

UNITED STATES ARMY COMMUNICATIONS COMMAND

Fort Huachuca, Arizona, $5,670,000.

UNITED STATES MILITARY ACADEMY

United States Military Academy, New York, $950,000.

UNITED STATES ARMY HEALTH SERVICES COMMAND

Fitzsimons Army Medical Center, Colorado, $650,000.

Fort Detrick, Maryland, $18,400,000.

Tripler Army Medical Center, Hawaii, $115,000,000.

Walter Reed Army Medical Center, Washington, District of Columbia, $4,800,000.

MILITARY TRAFFIC MANAGEMENT COMMAND

Bayonne Military Ocean Terminal, New Jersey, $570,000.

Oakland Army Base, California, $2,740,000.

UNITED STATES ARMY CORPS OF ENGINEERS

Cold Regions Laboratory, New Hampshire, $3,600,000.

BALLISTIC MISSILE DEFENSE SYSTEM COMMAND

Various locations, $12,800,000.

CLASSIFIED PROJECTS

Various locations, $3,800,000.

OUTSIDE THE UNITED STATES

UNITED STATES ARMY, JAPAN

Japan, $1,900,000.

EIGHTH UNITED STATES ARMY

Korea, $121,340,000.

UNITED STATES ARMY FORCES COMMAND OVERSEAS

Various locations, $69,200,000.

UNITED STATES ARMY, EUROPE

Germany, $322,550,000.

Greece, $9,730,000.

UNITED STATES ARMY WESTERN COMMAND

Johnston Island, $67,000,000.

UNITED STATES ARMY INTELLIGENCE AND SECURITY COMMAND OVERSEAS

Korea, $2,400,000.

FAMILY HOUSING

SEC. 102. The Secretary of the Army may construct or acquire family housing units (including land acquisition) at the following installations, in the number of units shown, and in the amount shown, for each installation:

Sierra Army Depot, California, one hundred and twenty-five units, $1,253,000.

Sierra Army Depot, California, eighty units, $5,721,000.

Babenhausen, Federal Republic of Germany, one hundred and six units, $8,856,000.

Mainz, Federal Republic of Germany, one hundred and eighty-six units, $18,233,000.

IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS

SEC. 103. (a) Subject to section 2825 of title 10, United States Code, the Secretary of the Army may make expenditures to improve existing military family housing units in an amount not to exceed $108,822,000, of which $17,546,000 is available only for energy conservation projects.

(b) The Secretary of the Army may, notwithstanding the maximum amount per unit for an improvement project under section 2825(b) of title 10, United States Code, carry out projects to improve existing military family housing units at the following installations, in the number of units shown, and in the amount shown, for each installation:

Aberdeen Proving Ground, Maryland, two hundred and six units, $7,746,000.

Fort Hamilton, New York, one hundred and eight units, $3,996,000.

TITLE II—NAVY

AUTHORIZED NAVY CONSTRUCTION AND LAND ACQUISITION PROJECTS

SEC. 201. The Secretary of the Navy may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations:

INSIDE THE UNITED STATES

UNITED STATES MARINE CORPS

Marine Corps Logistics Base, Barstow, California, $5,670,000.

Marine Corps Air Station, Beaufort, South Carolina, $3,490,000.

Camp H. M. Smith, Oahu, Hawaii, $1,910,000.

Marine Corps Base, Camp Lejeune, North Carolina, $36,370,000.

Marine Corps Base, Camp Pendleton, California, $54,580,000.

Marine Corps Air Station, Cherry Point, North Carolina, $14,810,000.

Marine Corps Air Station, El Toro, California, $17,610,000.

Marine Corps Air Station, Kaneohe Bay, Hawaii, $16,540,000.

Marine Corps Air Station, New River, North Carolina, $340,000.

Marine Corps Recruit Depot, Parris Island, South Carolina, $11,220,000.

Marine Corps Development and Education Command, Quantico, Virginia, $3,710,000.

Marine Corps Recruit Depot, San Diego, California, $18,570,000.

Marine Corps Air Station, Tustin, California, $15,050,000.

Marine Corps Air-Ground Combat Center, Twentynine Palms, California, $7,830,000.

Marine Barracks, Washington, District of Columbia, $2,540,000.

Marine Corps Air Station, Yuma, Arizona, $14,090,000.

CHIEF OF NAVAL RESEARCH

Naval Research Laboratory, Washington, District of Columbia, $31,650,000.

CHIEF OF NAVAL OPERATIONS

Naval Academy, Annapolis, Maryland, $1,960,000.

Naval Safety Center, Norfolk, Virginia, $3,640,000.

Naval Regional Data Automation Center, San Diego, California, $15,700,000.

Personnel Support Activity, Washington, District of Columbia, $250,000.

Commandant Naval District Washington, District of Columbia, $19,750,000.

COMMANDER IN CHIEF, ATLANTIC FLEET

Naval Air Station, Brunswick, Maine, $2,510,000.

Naval Station, Charleston, South Carolina, $5,630,000.

Naval Air Station, Jacksonville, Florida, $7,400,000.

Naval Amphibious Base, Little Creek, Virginia, $27,920,000.

Naval Station, Mayport, Florida, $9,940,000.

Naval Submarine Base, New London, Connecticut, $23,000,000.

Atlantic Fleet Headquarters Support Activity, Norfolk, Virginia, $24,700,000.

Naval Air Station, Norfolk, Virginia, $3,600,000.

Naval Station, Norfolk, Virginia, $30,615,000.

Personnel Support Activity, Norfolk, Virginia, $3,470,000.

Naval Air Station, Oceana, Virginia, $11,265,000.

COMMANDER IN CHIEF, UNITED STATES PACIFIC FLEET

Naval Facility, Adak, Alaska, $3,900,000.

Naval Station, Adak, Alaska, $5,140,000.

Naval Air Station, Alameda, California, $5,810,000.

Naval Submarine Base, Bangor, Washington, $440,000.

Naval Air Station, Barbers Point, Hawaii, $6,630,000.

Naval Amphibious Base, Coronado, California, $8,740,000.

Naval Air Facility, El Centro, California, $1,700,000.

Naval Air Station, Fallon, Nevada, $4,740,000.

Naval Air Station, Lemoore, California, $580,000.

Naval Station, Long Beach, California, $1,100,000.

Shore Intermediate Maintenance Activity, Long Beach, California, $11,700,000.

Naval Magazine, Lualualei, Hawaii, $3,130,000.

Naval Station, Mare Island, Vallejo, California, $1,090,000.

Naval Air Station, Miramar, California, $3,460,000.

Naval Air Station, Moffett Field, California, $6,370,000.

Naval Air Station, North Island, California, $6,380,000.

Commander, Oceanographic System Pacific, Pearl Harbor, Hawaii, $17,000,000.

Naval Station, Pearl Harbor, Hawaii, $545,000.

Naval Submarine Base, Pearl Harbor, Hawaii, $18,815,000.

Naval Station, San Diego, California, $17,300,000.

Naval Submarine Base, San Diego, California, $28,850,000.

Personnel Support Activity, San Diego, California, $2,270,000.

Naval Station, Treasure Island, San Francisco, California, $17,600,000.

Naval Air Station, Whidbey Island, Washington, $27,880,000.

NAVAL EDUCATION AND TRAINING COMMAND

Fleet Ballistic Missile Submarine Training Center, Charleston, South Carolina, $710,000.

Naval Air Station, Chase Field, Texas, $3,315,000.

Naval Air Station, Corpus Christi, Texas, $4,675,000.

Personnel Support Activity, Corpus Christi, Texas, $710,000.

Naval Training Center, Great Lakes, Illinois, $11,950,000.

Naval Air Station, Kingsville, Texas, $1,470,000.

Naval Amphibious School, Little Creek, Virginia, $725,000.

Fleet Training Center, Mayport, Florida, $6,510,000.

Naval Air Station, Memphis, Tennessee, $10,360,000.

Naval Education and Training Center, Newport, Rhode Island, $5,360,000.

Fleet Training Center, Norfolk, Virginia, $4,450,000.

Naval Training Center, Orlando, Florida, $3,720,000.

Naval Diving and Salvage Training Center, Panama City, Florida, $1,250,000.

Naval Air Station, Pensacola, Florida, $1,410,000.

Personnel Support Activity, Pensacola, Florida, $2,510,000.

Naval Construction Training Center, Port Hueneme, California, $4,580,000.

Fleet Anti-Submarine Warfare Training Center, Pacific, San Diego, California, $6,470,000.

Fleet Training Center, San Diego, California, $5,250,000.

Naval Training Center, San Diego, California, $8,300,000.

Naval Air Station, Whiting Field, Florida, $1,850,000.

NAVAL MEDICAL COMMAND

Naval Hospital, Bremerton, Washington, $6,220,000.

Naval Hospital, Camp Lejeune, North Carolina, $970,000.

Naval Hospital, Camp Pendleton, California, $1,410,000.

Naval Hospital, Millington, Tennessee, $410,000.

Naval Hospital, Oakland, California, $29,140,000.

Naval Hospital, Orlando, Florida, $1,760,000.

Naval Hospital, Portsmouth, Virginia, $410,000.

NAVAL MATERIAL COMMAND

Naval Air Rework Facility, Alameda, California, $3,820,000.

Naval Supply Center, Bremerton, Washington, $6,160,000.

Naval Supply Center, Charleston, South Carolina, $5,630,000.

Charleston Naval Shipyard, Charleston, South Carolina, $570,000.

Naval Weapons Station, Charleston, South Carolina, $1,630,000.

Naval Weapons Center, China Lake, California, $630,000.

Naval Surface Weapons Center, Dahlgren, Virginia, $4,980,000.

Navy Public Works Center, Great Lakes, Illinois, $2,740,000.

Naval Construction Battalion Center, Gulfport, Mississippi, $20,815,000.

Naval Air Rework Facility, Jacksonville, Florida, $1,410,000.

Supervisor of Shipbuilding, Jacksonville, Florida, $1,270,000.

Naval Submarine Base, Kings Bay, Georgia, $231,960,000.

Long Beach Naval Shipyard, Long Beach, California, $3,010,000.

Navy Ships Parts Control Center, Mechanicsburg, Pennsylvania, $16,270,000.

Naval Underwater Systems Center, Newport, Rhode Island, $24,840,000.

Naval Air Rework Facility, Norfolk, Virginia, $10,000,000.

Naval Supply Center, Norfolk, Virginia, $1,420,000.

Norfolk Naval Shipyard, Portsmouth, Virginia, $11,330,000.

Navy Public Works Center, Norfolk, Virginia, $4,050,000.

Naval Air Rework Facility, North Island, California, $560,000.

Naval Supply Center, Oakland, California, $9,510,000.

Naval Training Equipment Center, Orlando, Florida, $23,500,000.

Naval Air Test Center, Patuxent River, Maryland, $4,620,000.

Naval Supply Center, Pearl Harbor, Hawaii, $6,680,000.

Navy Public Works Center, Pearl Harbor, Hawaii, $5,270,000.

Naval Air Rework Facility, Pensacola, Florida, $5,190,000.

Navy Public Works Center, Pensacola, Florida, $7,830,000.

Philadelphia Naval Shipyard, Philadelphia, Pennsylvania, $3,890,000.

Pacific Missile Test Center, Point Mugu, California, $21,030,000.

Fleet Combat Direction Systems Support Activity, San Diego, California, $11,250,000.

Naval Supply Center, San Diego, California, $4,150,000.

Navy Public Works Center, San Diego, California, $4,870,000.

Navy Public Works Center, San Francisco, California, $13,420,000.

Naval Electronic Systems Engineering Activity, St. Inigoes, Maryland, $2,110,000.

Naval Air Development Center, Warminster, Pennsylvania, $2,290,000.

Naval Weapons Station, Yorktown, Virginia, $1,140,000.

NAVAL OCEANOGRAPHY COMMAND

Naval Oceanographic Office, Bay St. Louis, Mississippi, $1,570,000.

Naval Oceanographic Command, Bay St. Louis, Mississippi, $375,000.

NAVAL TELECOMMUNICATIONS COMMAND

Naval Communication Area Master Station, Atlantic, Norfolk, Virginia, $1,160,000.

NAVAL SECURITY GROUP COMMAND

Naval Security Group Activity, Adak, Alaska, $320,000.

Naval Security Group Activity, Northwest Chesapeake, Virginia, $4,600,000.

Naval Security Group Activity, Winter Harbor, Maine, $220,000.

OUTSIDE THE UNITED STATES

MARINE CORPS

Marine Corps Air Station, Iwakuni, Japan, $6,820,000.

Marine Corps Base, Camp Butler, Okinawa, Japan, $2,330,000.

COMMANDER IN CHIEF, ATLANTIC FLEET

Naval Station, Guantanamo Bay, Cuba, $6,480,000.

Naval Station, Keflavik, Iceland, $36,720,000.

Naval Facility, Keflavik, Iceland, $2,620,000.

Naval Station, Panama Canal, Panama, $1,580,000.

Naval Station, Roosevelt Roads, Puerto Rico, $2,550,000.

Atlantic Fleet Weapons Training Facility, Roosevelt Roads, Puerto Rico, $600,000.

COMMANDER IN CHIEF, PACIFIC FLEET

Naval Air Station, Cubi Point, Republic of the Philippines, $24,260,000.

Naval Support Facility, Diego Garcia, Indian Ocean, $6,425,000.

Naval Air Station, Guam, Mariana Islands, $300,000.

Naval Ship Repair Facility, Guam, Mariana Islands, $2,340,000.

Naval Air Facility, Misawa, Japan, $9,300,000.

Naval Station, Subic Bay, Republic of the Philippines, $6,520,000.

Naval Ship Repair Facility, Subic Bay, Republic of the Philippines, $710,000.

Fleet Activities, Yokosuka, Japan, $990,000.

COMMANDER IN CHIEF, NAVAL FORCES, EUROPE

Fleet Operations Control Center Europe, London, England, $2,620,000.

Naval Activities, London, England, $6,620,000.

Naval Station, Rota, Spain, $25,020,000.

Naval Air Station, Sigonella, Italy, $20,110,000.

NAVAL MATERIAL COMMAND

Navy Public Works Center, Guam, Mariana Islands, $230,000.

NAVAL MEDICAL COMMAND

Naval Hospital, Rota, Spain, $18,400,000.

NAVAL TELECOMMUNICATIONS COMMAND

Naval Communication Area Master Station Western Pacific, Guam, Mariana Islands, $3,210,000.

Naval Communication Station, Nea Makri, Greece, $3,950,000.

Naval Communication Station, San Miguel, Republic of the Philippines, $300,000.

Naval Communication Station, Yokosuka, Japan, $980,000.

NAVAL SECURITY GROUP COMMAND

Naval Security Group Detachment, Diego Garcia, Indian Ocean, $380,000.

Naval Security Group Activity, Edzell, Scotland, $340,000.

Naval Security Group Detachment, Guam, Mariana Islands, $320,000.

HOST NATION INFRASTRUCTURE SUPPORT

Various locations, $2,790,000.

SANTA MARGARITA WATER PROJECT

SEC. 202. The Secretary of the Navy may carry out a military construction project in the amount of $142,000,000 for water supply and flood control of the Santa Margarita River, Marine Corps Base, Camp Pendleton, California.

FAMILY HOUSING

SEC. 203. The Secretary of the Navy may construct or acquire family housing units (including land acquisition) at the following installations, in the number of units shown, and in the amount shown, for each installation:

Naval Station, Adak, Alaska, four hundred and five units, $61,107,000.

Marine Corps Base, Camp Pendleton, California, three hundred and sixty units, $26,004,000.

AEGIS Communications Systems Center, Wallops Island, Virginia, twenty-eight units, $2,400,000.

Naval Station, Guantanamo Bay, Cuba, one hundred units, $12,430,000.

IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS

SEC. 204. (a) Subject to section 2825 of title 10, United States Code, the Secretary of the Navy may make expenditures to improve existing military family housing units in an amount not to exceed $9,000,000.

(b) The Secretary of the Navy may, notwithstanding the maximum amount per unit for an improvement project under section 2825(b) of title 10, United States Code, carry out projects to improve existing military family housing units at the following installation, in the number of units shown, and in the amount shown:

Naval Air Station, Whidbey Island, Washington, two hundred and sixty-eight units, $13,300,000.

TITLE III—AIR FORCE

AUTHORIZED AIR FORCE CONSTRUCTION AND LAND ACQUISITION PROJECTS

SEC. 301. The Secretary of the Air Force may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations:

INSIDE THE UNITED STATES

AIR FORCE LOGISTICS COMMAND

Hill Air Force Base, Utah, $49,433,000.

McClellan Air Force Base, California, $13,501,000.

Newark Air Force Station, Ohio, $840,000.

Robins Air Force Base, Georgia, $18,390,000.

Tinker Air Force Base, Oklahoma, $27,199,000.

Wright-Patterson Air Force Base, Ohio, $36,350,000.

AIR FORCE SYSTEMS COMMAND

Arnold Engineering Development Center, Tennessee, $7,700,000.

Brooks Air Force Base, Texas, $4,450,000.

Cape Canaveral Air Force Station, Florida, $2,750,000.

Edwards Air Force Base, California, $18,180,000.

Eglin Air Force Base, Florida, $2,680,000.

Various locations, Florida, $6,300,000.

Goddard Space Flight Center, Maryland, $3,500,000.

Hanscom Air Force Base, Massachusetts, $5,200,000.

Patrick Air Force Base, Florida, $910,000.

Various locations, $1,200,000.

AIR NATIONAL GUARD

Base 10, Classified Location, $2,150,000.

Otis Air National Guard Base, Massachusetts, $810,000.

AIR TRAINING COMMAND

Chanute Air Force Base, Illinois, $11,350,000.

Goodfellow Air Force Base, Texas, $17,150,000.

Keesler Air Force Base, Mississippi, $13,555,000.

Lackland Air Force Base, Texas, $9,290,000.

Laughlin Air Force Base, Texas, $7,400,000.

Lowry Air Force Base, Colorado, $3,820,000.

Mather Air Force Base, California, $3,500,000.

Randolph Air Force Base, Texas, $9,740,000.

Reese Air Force Base, Texas, $4,900.000.

Sheppard Air Force Base, Texas, $6,300,000.

Williams Air Force Base, Arizona, $2,500,000.

AIR UNIVERSITY

Gunter Air Force Station, Alabama, $9,500,000.

Maxwell Air Force Base, Alabama, $480,000.

ALASKAN AIR COMMAND

Burnt Mountain Air Force Station, Alaska, $1,400,000.

Eielson Air Force Base, Alaska, $24,850,000.

Elmendorf Air Force Base, Alaska, $12,313,000.

Galena Airport, Alaska, $11,800,000.

MILITARY AIRLIFT COMMAND

Andrews Air Force Base, Maryland, $960,000.

Charleston Air Force Base, South Carolina, $14,840,000.

Eglin Auxiliary Field 9, Florida, $7,830,000.

Kirtland Air Force Base, New Mexico, $1,500,000.

Little Rock Air Force Base, Arkansas, $1,890,000.

McChord Air Force Base, Washington, $3,190,000.

McGuire Air Force Base, New Jersey, $440,000.

Norton Air Force Base, California, $6,650,000.

Pope Air Force Base, North Carolina, $710,000.

Scott Air Force Base, Illinois, $19,400,000.

Travis Air Force Base, California, $204,890,000.

NATIONAL MILITARY COMMAND CENTER

Pentagon, Virginia, $4,750,000.

PACIFIC AIR FORCES

Hickam Air Force Base, Hawaii, $3,800,000.

SPACE COMMAND

Clear Air Force Station, Alaska, $4,400,000.

Falcon Air Force Station, Colorado, $3,000,000.

Peterson Air Force Base, Colorado, $25,000,000.

SPECIAL PROJECT

Various Locations, $53,700,000.

STRATEGIC AIR COMMAND

Barksdale Air Force Base, Louisiana, $26,995,000.

Base 4, Classified Location, $14,000,000.

Base 17, Classified Location, $45,740,000.

Beale Air Force Base, California, $2,675,000.

Blytheville Air Force Base, Arkansas, $2,640,000.

Carswell Air Force Base, Texas, $24,650,000.

Castle Air Force Base, California, $4,100,000.

Conrad Air Station, Montana, $4,260,000.

Dickinson Air Station, North Dakota, $3,710,000.

Dyess Air Force Base, Texas, $58,610,000.

F. E. Warren Air Force Base, Wyoming, $49,220,000.

Fairchild Air Force Base, Washington, $11,500,000.

Grand Forks Air Force Base, North Dakota, $4,420,000.

Griffiss Air Force Base, New York, $3,400,000.

Grissom Air Force Base, Indiana, $920,000.

K. I. Sawyer Air Force Base, Michigan, $2,350,000.

Loring Air Force Base, Maine, $31,370,000.

Malmstrom Air Force Base, Montana, $1,500,000.

March Air Force Base, California, $9,150,000.

Minot Air Force Base, North Dakota, $13,060,000.

Offutt Air Force Base, Nebraska, $47,100,000.

Pease Air Force Base, New Hampshire, $5,950,000.

Plattsburgh Air Force Base, New York, $3,650,000.

Vandenberg Air Force Base, California, $34,910,000.

Whiteman Air Force Base, Missouri, $4,320,000.

Wurtsmith Air Force Base, Michigan, $1,125,000.

TACTICAL AIR COMMAND

Base 16, Classified Location, $11,000,000.

Bergstrom Air Force Base, Texas, $10,900,000.

Cannon Air Force Base, New Mexico, $1,100,000.

Davis-Monthan Air Force Base, Arizona, $12,400,000.

England Air Force Base, Louisiana, $5,250,000.

George Air Force Base, California, $17,930,000.

Holloman Air Force Base, New Mexico, $8,810,000.

Homestead Air Force Base, Florida, $2,950,000.

Langley Air Force Base, Virginia, $29,030,000.

Luke Air Force Base, Arizona, $13,660,000.

MacDill Air Force Base, Florida, $6,120,000.

Moody Air Force Base, Georgia, $2,030,000.

Mountain Home Air Force Base, Idaho, $1,490,000.

Myrtle Beach Air Force Base, South Carolina, $2,795,000.

Nellis Air Force Base, Nevada, $12,390,000.

Seymour-Johnson Air Force Base, North Carolina, $9,490,000.

Shaw Air Force Base, South Carolina, $4,970,000.

Tyndall Air Force Base, Florida, $4,330,000.

Classified Location, $18,000,000.

UNITED STATES AIR FORCE ACADEMY

United States Air Force Academy, Colorado, $23,805,000.

Outside the United States

MILITARY AIRLIFT COMMAND

Lajes Field, Portugal, $4,550,000.

Sidi Slimane, Morocco, $2,050,000.

Rhein-Main Air Base, Germany, $2,940,000.

PACIFIC AIR FORCES

Kadena Air Base, Japan, $20,680,000.

Misawa Air Base, Japan, $20,000,000.

Yokota Air Base, Japan, $3,000,000.

Kimhae Air Base, Korea, $12,853,000.

Kunsan Air Base, Korea, $12,300,000.

Kwang-Ju Air Base, Korea, $4,460,000.

Osan Air Base, Korea, $35,690,000.

Sachon Air Base, Korea, $1,100,000.

Suwon Air Base, Korea, $4,090,000.

Taegu Air Base, Korea, $5,950,000.

Diego Garcia Air Base, Indian Ocean, $16,100,000.

Clark Air Base, Republic of the Philippines, $42,425,000.

Base 11, classified location, $6,100,000.

Base 14, classified location, $1,700,000.

Wake Island Airfield, Wake Island, $1,235,000.

SPACE COMMAND

Thule Air Base, Greenland, $25,000,000.

STRATEGIC AIR COMMAND

Andersen Air Force Base, Guam, $13,342,000.

TACTICAL AIR COMMAND

Palmerola Air Base, Honduras, $1,500,000.

Howard Air Force Base, Panama, $360,000.

Oman, various locations, $42,000,000.

UNITED STATES AIR FORCES IN EUROPE

Florennes, Belgium, $4,640,000.

Camp New Amsterdam, The Netherlands, $5,310,000.

Woensdrecht Air Base, The Netherlands, $81,650,000.

Alzey Radar Site, Germany, $3,150,000.

Bitburg Air Base, Germany, $8,910,000.

Classified location, Germany, $600,000.

Various locations, Germany, $14,600,000.

Hahn Air Base, Germany, $4,150,000.

Ramstein Air Base, Germany, $8,650,000.

Spangdahlem Air Base, Germany, $620,000.

Wenigerath Air Base, Germany, $3,065,000.

Wiesbaden Air Base, Germany, $650,000.

Zweibrucken Air Base, Germany, $4,055,000.

Aviano Air Base, Italy, $1,600,000.

Comiso Air Station, Italy, $6,075,000.

San Vito Air Station, Italy, $2,250,000.

Torrejon Air Base, Spain, $13,350,000.

Zaragoza Air Base, Spain, $1,100,000.

Ankara Air Station, Turkey, $1,100,000.

Incirlik Air Base, Turkey, $9,780,000.

RAF Alconbury, United Kingdom, $5,510,000.

RAF Chicksands, United Kingdom, $3,550,000.

RAF Greenham Common, United Kingdom, $12,000,000.

RAF Lakenheath, United Kingdom, $2,100,000.

RAF Mildenhall, United Kingdom, $14,100,000.

RAF Upper Heyford, United Kingdom, $5,210,000.

RAF Welford, United Kingdom, $740,000.

RAF Wethersfield, United Kingdom, $4,300,000.

RAF Woodbridge, United Kingdom, $2,050,000.

RAF Molesworth, United Kingdom, $15,004,000.

Base 13, classified location, $2,050,000.

Base 19, classified location, $2,850,000.

Classified locations, $9,950,000.

Various locations, Europe, $16,400,000.

FAMILY HOUSING

SEC. 302. The Secretary of the Air Force may construct or acquire family housing units (including land acquisition) at the following installations, in the number of units shown, and in the amount shown, for each installation:

Fort MacArthur, California, one hundred and forty units, $16,500,000.

Hanscom Air Force Base, Massachusetts, Trailer Park Expansion, $500,000.

Conrad Air Force Station, Montana, forty units, $3,705,000.

F. E. Warren Air Force Base, Wyoming, two hundred and sixty-five units, $17,343,000.

Florennes, Belgium, four hundred units, $37,509,000.

Comiso, Italy, five hundred and seventy-six units, $50,070,000.

Osan Air Base, Korea, Utilities Expansion, $2,700,000.

RAF Greenham Common, United Kingdom, two hundred and fifty units, $22,441,000.

RAF Alconbury, United Kingdom, three hundred units, $27,410,000.

RAF Bentwaters, United Kingdom, two hundred units, $21,963,000.

Classified location, Federal Republic of Germany, two hundred and fifty units, $24,086,000.

IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS

Sec. 303. (a) Subject to section 2825 of title 10, United States Code, the Secretary of the Air Force may make expenditures to improve existing military family housing units in an amount not to exceed $62,173,000, of which $23,751,000 is available only for energy conservation projects.

(b) The Secretary of the Air Force may, notwithstanding the maximum amount per unit for an improvement project under section 2825(b) of title 10, United States Code, carry out projects to improve existing military family housing units at the following installations, in the number of units shown, and in the amount shown, for each installation:

Bergstrom Air Force Base, Texas, one hundred and fifty-six units, $4,642,000.

Moody Air Force Base, Georgia, one hundred and six units, $2,772,000.

Scott Air Force Base, Illinois, two hundred and fifty units, $8,820,000.

TITLE IV—DEFENSE AGENCIES

AUTHORIZED CONSTRUCTION PROJECTS AND LAND ACQUISITION FOR THE DEFENSE AGENCIES

SEC. 401. The Secretary of Defense may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations:

INSIDE THE UNITED STATES

DEFENSE LOGISTICS AGENCY

Defense Fuel Support Point, Adak, Alaska, $6,730,000.

Defense Fuel Support Point, Whittier, Alaska, $12,170,000.

Defense Property Disposal Office, Fairbanks, Alaska, $1,800,000.

Defense Property Disposal Office, San Diego, Imperial Beach, California, $900,000.

Defense Property Disposal Office, Pearl Harbor Naval Shipyard, Hawaii, $1,950,000.

Defense Fuel Support Point, Grand Forks, North Dakota, $475,000.

Defense Fuel Support Point, Cincinnati, Ohio, $2,600,000.

Defense Depot, Mechanicsburg, Pennsylvania, $18,000,000.

Defense Fuel Support Point, Mukilteo, Washington, $500,000.

DEFENSE MAPPING AGENCY

Hydrographic/Topographic Center, Brookmont, Maryland, $20,100,000.

NATIONAL SECURITY AGENCY

Fort Meade, Maryland, $34,300,000.

Rosman, North Carolina, $500,000.

Baltimore, Maryland, $7,500,000.

Classified location, $500,000.

OFFICE OF THE SECRETARY OF DEFENSE

Presidio of Monterey, California, $22,475,000.

National Defense University, Fort McNair, Washington, District of Columbia, $5,022,000.

White Sands Missile Range, New Mexico, $9,000,000.

Classified activity, Fort Belvoir, Virginia, $28,400,000.

Classified location, $5,900,000.

DEFENSE INVESTIGATIVE SERVICE

Fort Holabird, Maryland, $220,000.

DEFENSE NUCLEAR AGENCY

Fort McClellan, Alabama, $1,000,000.

DEPARTMENT OF DEFENSE DEPENDENTS SCHOOLS

Maxwell Air Force Base, Alabama, $1,700,000.

Fort Benning, Georgia, $5,600,000.

Fort Campbell, Kentucky, $7,500,000.

Fort Knox, Kentucky, $21,961,000.

United States Military Academy, West Point, New York, $3,650,000.

Fort Bragg, North Carolina, $5,600,000.

Fort Jackson, South Carolina, $7,372,000.

OUTSIDE THE UNITED STATES

DEFENSE LOGISTICS AGENCY

Defense Fuel Support Point, Pohang, Korea, $15,800,000.

Defense Fuel Support Point, Roosevelt Roads, Puerto Rico, $10,675,000.

OFFICE OF THE SECRETARY OF DEFENSE

Classified location, $12,900,000.

NATIONAL SECURITY AGENCY

Classified locations, $5,200,000.

DEPARTMENT OF DEFENSE DEPENDENTS SCHOOLS

Florennes, Belgium, $10,100,000.

Amberg, Germany, $1,860,000.

Bad Kreuznach, Germany, $3,660,000.

Bad Nauheim, Germany, $1,200,000.

Bindlach, Germany, $1,750,000.

Crailsheim, Germany, $1,660,000.

Frankfurt, Germany, $11,620,000.

Germersheim, Germany, $1,680,000.

Goeppingen, Germany, $2,060,000.

Hahn Air Base, Germany, $2,840,000.

Katterbach, Germany, $3,780,000.

Ludwigsburg, Germany, $2,110,000.

Mannheim, Germany, $3,780,000.

Neubrueke, Germany, $2,700,000.

Osterholz-Scharmbeck, Germany, $940,000.

Rhein-Main Air Base, Germany, $2,120,000.

Ulm, Germany, $2,970,000.

Wiesbaden, Germany, $830,000.

Wertheim, Germany, $2,080,000.

Worms, Germany, $2,230,000.

Wuerzberg, Germany, $2,650,000.

Naval Station, Keflavik, Iceland, $3,440,000.

Comiso, Italy, $13,600,000.

Camp Kinser, Japan, $5,410,000.

Camp McTureous, Japan, $6,520,000.

Zukeran, Japan, $2,820,000.

Seoul, Korea, $1,410,000.

Brunssum, Netherlands, $2,650,000.

Subic Bay, Republic of the Philippines, $3,500,000.

Clark Air Base, Republic of the Philippines, $5,920,000.

RAF Chicksands, United Kingdom, $1,010,000.

RAF Greenham Common, United Kingdom, $13,600,000.

RAF High Wycombe, United Kingdom, $6,270,000.

RAF Woodbridge, United Kingdom, $1,730,000.

FAMILY HOUSING

Sec. 402. The Secretary of Defense may construct or acquire family housing units (including land acquisition) at the following installations, in the number of units shown, and in the amount shown, for each installation:

Classified locations, six units, $693,000.

IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS

SEC. 403. Subject to section 2825 of title 10, United States Code, the Secretary of Defense may make expenditures to improve existing military family housing units in an amount not to exceed $107,000.

DEFICIENCY AUTHORIZATION FOR APPROPRIATIONS

SEC. 404. Section 604(a) of the Military Construction Authorization Act, 1984, Public Law 98-115 (97 Stat. 779), is amended by deleting the phrases "$306,386,000" and "$90,572,000" and inserting in lieu thereof the phrases "$321,386,000" and "$105,572,000", respectively.

TITLE V—NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE

AUTHORITY OF THE SECRETARY OF DEFENSE TO MAKE CONTRIBUTIONS

SEC. 501. The Secretary of Defense may make contributions for the North Atlantic Treaty Organization infrastructure program as provided in section 2806 of title 10, United States Code, in an amount not to exceed the amount authorized to be appropriated in section 605.

TITLE VI—AUTHORIZATION OF APPROPRIATIONS AND RECURRING ADMINISTRATIVE PROVISIONS

AUTHORIZATION OF APPROPRIATIONS, ARMY

SEC. 601. (a) Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1984, for military construction, land acquisition, and military family housing functions of the Department of the Army in the total amount of $3,687,174,000 as follows:

(1) For projects authorized by section 101 that are to be carried out inside the United States, $1,444,100,000.

(2) For projects authorized by section 101 that are to be carried out outside the United States, $594,120,000.

(3) For unspecified minor construction projects under section 2805 of title 10, United States Code, $33,000,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $190,000,000.

(5) For advances to the Secretary of Transportation for construction of defense access roads under section 210 of title 23, United States Code, $500,000.

(6) For military family housing functions—

(A) for construction and acquisition of military family housing and facilities, $156,800,000; and

(B) for support of military family housing, $1,268,654,000, of which not more than $129,000 may be obligated or expended for the leasing of military family housing units in the United States, the Commonwealth of Puerto Rico, and Guam, and not more than $107,249,000 may be obligated or expended for the leasing of military family housing units in foreign countries.

(b) Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variations authorized by law, the total cost of all projects carried out under section 101 may not exceed the total amount authorized to be appropriated under subsections (1) and (2) of subsection (a).

AUTHORIZATION OF APPROPRIATIONS, NAVY

SEC. 602. (a) Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1984, for military construction, land acquisition, and military family housing functions of the Department of the Navy in the total amount of $2,509,086,000 as follows:

(1) For projects authorized by section 201 that are to be carried out inside the United States, $1,262,485,000.

(2) For projects authorized by section 201 that are to be carried out outside the United States, $195,815,000.

(3) For unspecified minor construction projects under section 2805 of title 10, United States Code, $19,000,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $157,900,000.

(5) For advances to the Secretary of Transportation for construction of defense access roads under section 210 of title 23, United States Code, $4,000,000.

(6) For the Santa Margarita Water Project authorized by section 202 that is to be carried out inside the United States, $142,000,000.

(7) For military family housing functions—

(A) for construction and acquisition of military family housing and facilities, $119,500,000; and

(B) for support of military family housing, $608,386,000, of which not more than $28,000 may be obligated or expended for the leasing of military family housing units in the United States, the Commonwealth of Puerto Rico, and Guam, and not more than $20,052,000 may be obligated or expended for the leasing of military family housing units in foreign countries.

(b) Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variations authorized by law, the total cost of all projects carried out under section 201 may not exceed the total amount authorized to be appropriated under subsections (1) and (2) of subsection (a).

AUTHORIZATION OF APPROPRIATIONS, AIR FORCE

SEC. 603. (a) Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1984, for military construction, land acquisition, and military family housing functions of the Department of the Air Force in the total amount of $3,136,742,000 as follows:

(1) For projects authorized by section 301 that are to be carried out inside the United States, $1,318,116,000.

(2) For projects authorized by section 301 that are to be carried out outside the United States, $550,544,000.

(3) For unspecified minor construction projects under section 2805 of title 10, United States Code, $21,000,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $163,900,000.

(5) For advances to the Secretary of Transportation for construction of defense access roads under section 210 of title 23, United States Code, $24,550,000.

(6) For military family housing functions—

(A) for construction and acquisition of military family housing and facilities, $292,400,000; and

(B) for support of military family housing, $766,232,000, of which not more than $57,239,000 may be obligated or expended for the leasing of military family housing units in foreign countries.

(b) Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variations authorized by law, the total cost of all projects carried out under section 301 may not exceed the total amount authorized to be appropriated under subsections (1) and (2) of subsection (a).

AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES

SEC. 604. (a) Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1984, for military construction, land acquisition, and military family housing functions of the Department of Defense (other than the military departments), in the total amount of $479,300,000 as follows:

(1) For projects authorized by section 401 that are to be carried out inside the United States, $233,425,000.

(2) For projects authorized by section 401 that are to be carried out outside the United States, $177,075,000.

(3) For unspecified minor construction projects under section 2805 of title 10, United States Code, $4,000,000.

(4) For construction projects under the contingency construction authority of the Secretary of Defense under section 2804 of title 10, United States Code, $15,000,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $30,000,000.

(6) For military family housing functions—

(A) for construction and acquisition of military family housing and facilities, $800,000; and

(B) for support of military family housing, $19,000,000, of which not more than $15,773,000 may be obligated or expended for the leasing of military family housing units in foreign countries.

(b) Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variations authorized by law, the total cost of all projects carried out under section 401 may not exceed the total amount authorized to be appropriated under subsections (1) and (2) of subsection (a).

AUTHORIZATION OF APPROPRIATIONS, NATO

SEC. 605. Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1984, for contributions by the Secretary of Defense under section 2806 of title 10, United States Code, for the share of the United States of the cost of construction projects for the North Atlantic Treaty Organization Infrastructure program, as authorized by title V, $296,700,000.

ACTIVITIES INCLUDED WITHIN AUTHORIZATIONS FOR MILITARY FAMILY HOUSING

SEC. 606. (a) Amounts authorized under sections 601 through 604 for construction and acquisition of military family housing and facilities include amounts for minor construction, improvements to existing military family housing units and facilities, relocation of military family housing units under section 2827 of title 10, United States Code, and architectural and engineering services and construction design.

(b) Amounts authorized under sections 601 through 604 for support of military family housing include amounts for operating expenses, leasing expenses, maintenance of real property expenses, payments of principal and interest on mortgage debts incurred, and payments of mortgage insurance premiums authorized under section 222 of the National Housing Act (12 U.S.C. 1715m).

EXPIRATION OF AUTHORIZATIONS: EXTENSION OF CERTAIN PREVIOUS AUTHORIZATIONS

SEC. 607. (a)(1) Except as provided in paragraph (2), all authorizations contained in titles I, II, III, IV, and V for military construction projects, land acquisition, family housing projects, and contributions to the NATO Infrastructure program (and authorizations of appropriations therefor contained in sections 601 through 605) shall expire on October 1, 1986, or the date of the enactment of the Military Construction Authorization Act for fiscal year 1987, whichever is later.

(2) The provisions of paragraph (1) do not apply to authorizations for military construction projects, land acquisi-

tion, family housing projects, and contributions to the NATO Infrastructure program, (and authorizations of appropriations therefore), for which appropriated funds have been obligated before October 1, 1986, or the date of the enactment of the Military Construction Authorization Act for fiscal year 1987, whichever is later, for construction contracts, land acquisition, family housing projects, or contributions to the NATO Infrastructure program.

(b) Notwithstanding the provisions of section 606(a) of the Military Construction Authorization Act, 1983, Public Law 97-321 (96 Stat. 1567), authorizations for the following projects authorized in sections 101, 201, and 301 of such Act shall remain in effect until October 1, 1985, or the date of enactment of the Military Construction Authorization Act for fiscal year 1986, whichever is later:

(1) Consolidated Heating Facility in the amount of $1,300,000 at Giessen, Germany.

(2) Barracks in the amount of $9,300,000 at Vilseck, Germany.

(3) Battalion Headquarters and Classroom in the amount of $3,000,000 at Vilseck, Germany.

(4) Dining Facility in the amount of $3,600,000 at Vilseck, Germany.

(5) Barracks in the amount of $10,600,000 at Vilseck, Germany.

(6) Standby Generator Plant in the amount of $4,500,000 at the Naval Communications Area Master Station Eastern Pacific, Honolulu, Hawaii.

(7) Rapid Deployment Force Facilities in the amount of $55,000,000 at Ras Banas Egypt.

ESTABLISHMENT OF CERTAIN AMOUNTS REQUIRED TO BE SPECIFIED BY LAW

SEC. 608. For projects or contracts initiated during the period beginning on the date of the enactment of this Act or October 1, 1984, whichever is later, and ending on the date of the enactment of the Military Construction Authorization Act for fiscal year 1986 or October 1, 1985, whichever is later, the following amounts apply:

(1) The maximum amount for an unspecified minor military construction project under section 2805 of title 10, United States Code, is $1,000,000.

(2) The amount of a contract for architectural and engineering services or construction design that makes such a contract subject to the reporting requirement under section 2807 of title 10, United States Code, is $300,000.

(3) The maximum amount per unit for an improvement project for family housing units under section 2825 of title 10, United States Code, is $30,000.

(4) The maximum annual rental for a family housing unit leased in the United States, Puerto Rico, or Guam under section 2828(b) of title 10, United States Code, is $6,000.

(5)(A) The maximum annual rental for a family housing unit leased in a foreign country under section 2828(c) of title 10, United States Code, is $16,800.

(B) The maximum number of family housing units that may be leased at any one time in foreign countries under section 2828(c) of title 10, United States Code, is 31,000.

(6) The maximum rental per year for family housing facilities, or for real property related to family housing facilities, leased in a foreign country under section 2828(f) of title 10, United States Code, is $250,000.

EFFECTIVE DATE FOR PROJECT AUTHORIZATIONS

SEC. 609. Titles, I, II, III, IV, and V of this Act shall take effect on October 1, 1984.

TITLE VII—GUARD AND RESERVE FORCES FACILITIES

AUTHORIZATION FOR FACILITIES

SEC. 701. There are authorized to be appropriated for fiscal years beginning after September 30, 1984, for the costs of acquisition, architectural and engineering services, and construction of facilities for the Guard and Reserve Forces, and for contributions therefor, under chapter 133 of title 10, United States Code (including the cost of acquisition of land for those facilities), the following amounts:

(1) for the Department of the Army—

(A) for the Army National Guard of the United States, $88,900,000, and

(B) for the Army Reserve, $70,400,000.

(2) For the Department of the Navy, for the Naval and Marine Corps Reserves, $60,800,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, $102,900,000, and

(B) for the Air Force Reserve, $67,800,000.

MODIFICATION OF GUARD AND RESERVE MINOR CONSTRUCTION AUTHORITY

SEC. 702. Subsection 2233a(b) of title 10, United States Code, is amended by deleting the phrase "$50,000" and inserting in lieu thereof the phrase "$100,000".

FEDERAL CONTRIBUTION FOR CONSTRUCTION TO UPGRADE CRITICAL PORTIONS OF ARMORIES

SEC. 703. Subsection 2233(a)(6) of title 10, United States Code, is amended by deleting the phrases "arms storage rooms" and "standards related to the safekeeping of arms" and inserting in lieu thereof the phrases "critical portions of facilities" and "construction criteria or standards related to the execution of the Federal military mission assigned to the unit utilizing the facility", respectively.

TITLE VIII—GENERAL PROVISIONS

OCCUPANT LIABILITY

SEC. 801. (a) Section 2775 of title 10, United States Code, as amended, is further amended to read as follows:

"§ 2775. Liability of member for damages to housing, equipment, and furnishings

"(a) A member of the armed forces shall be liable to the United States for damage to any family or unaccompanied personnel housing unit, or damage to or loss of any equipment or furnishings of any family or unaccompanied personnel housing unit, assigned or provided to such member if it is determined, under regulations to be prescribed by the Secretary of Defense, that such damage or loss was caused by the abuse or negligence of such member, any dependent of such member, or their guests.

"(b) The Secretary of Defense may establish limitations of liability or compromise or waive a claim under this section.

"(c)(1) The Secretary concerned may deduct from a member's pay, or provide for the collection by means other than the checkage of pay, an amount sufficient to pay for the cost of the repair or replacement made necessary as the result of any abuse or negligence referred to in subsection (a) on the part of such member, any dependent of such member, or their guests.

"(2) The final determination of an amount to be deducted from the pay of an officer of an armed force in accordance with regulations issued under this section shall be deemed to be a special order authorizing such deduction for the purposes of section 1007 of title 37.

"(d) Amounts deducted from a member's pay under this section, or any other amounts collected, shall be credited to the family housing operations and maintenance account, or the operations and maintenance account of the military department or defense agency concerned and shall be available for use for the same purposes and under the same circumstances as other funds in such accounts.

"(e) The Secretary of Defense shall issue regulations to carry out the provisions of this section, including regulations for determining the cost of repairs or replacements made necessary as the result of abuse or negligence on the part of a member, dependent of a member, or their guests, and regulations providing for limitations of liability, the compromise or waiver of a claim, and collection by means other than the checkage of pay.".

(b) The table of sections at the beginning of chapter 165 is amended by amending the item referring to section 2775 to read as follows:

"2775. Liability of member for damages to housing, equipment, and furnishings.".

OCCUPANCY OF SUBSTANDARD FAMILY HOUSING UNITS

SEC. 802. Subsection 2830(a) of title 10, United States Code, is amended by deleting paragraph (2) and inserting in lieu thereof: "(2) Occupancy of a family housing unit under paragraph (1) shall subject such member to a charge equal to 75 percent of the member's basic allowance for quarters.".

ACQUISITION OF REAL PROPERTY; COST VARIATIONS

SEC. 803. Section 2676 of title 10, United States Code, is amended—

(1) by inserting in subsection (c)(2) the phrase ", or for condemnation actions, the amount to be deposited with the court as just compensation for the land" immediately after the phrase "upon the agreed price for the land",

(2) by inserting in subsection (c)(2)(B) the phrase ", or for condemnation actions, the amount to be deposited with the court as just compensation for the land," immediately after the phrase "the agreed price for the land," and

(3) by adding at the end thereof the following new subsection:

"(e) Notwithstanding the foregoing, deficiency judgments awarded by a court in condemnation actions, or resulting from a final settlement of a condemnation action, shall be paid promptly from funds available for land acquisition projects.".

ACQUISITION OF OPTIONS ON PROPERTY

SEC. 804. Subsection 2677(b) of title 10, United States Code, is amended by deleting the number "5" and inserting in lieu thereof the number "12".

RESTORATION OF PERMITTED LAND

SEC. 805. (a) Chapter 159 of title 10, United States Code, is amended by adding the following new section at the end thereof:

"§ 2691. Restoration of permitted land

"The Secretary of the Military Department concerned is authorized, from funds available for operations and maintenance or construction, to remove improvements, clear, reseed, and replant the site, and to take any other action necessary in his judgment to restore land permitted to his department by another military department or Federal agency when required by the terms of the permit making such land available. Unless otherwise prohibited by law or the terms of the permit, such land shall first be screened with other military departments and Federal agencies for reuse in its improved state, under the provisions of the Federal Property and Administrative Services Act of 1949, as amended, prior to commencing restoration. Maintenance and repair of the improvements, to the standards established for excess property by the General Services Administration may continue during the screening process.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof, the following new item:

"2691. Restoration of Permitted Land"

LAND EXCHANGE FOR CONSOLIDATED SPACE OPERATIONS CENTER

SEC. 806. (a) The Secretary of the Air Force is authorized to acquire title to, or easements or rights-of-way over, lands in the vicinity of the Consolidated Space Operations Center, Falcon Air Force Station, Colorado. Such lands or interests therein shall be acquired by exchanging land at the former Ent Air Force Base, Colorado Springs, Colorado, or other Federal lands in Colorado, with the State of Colorado Board of Land Commissioners. Conveyance of lands at the former Ent AFB to the state shall be subject to the existing lease of the United States Olympic Committee, Incorporated.

(b) The Secretary shall adjust the amount of land and the nature of the interests acquired so that the fair market value of the lands conveyed and received, as determined by the Secretary, are substantially equal.

(c) The exact acreages to be acquired or conveyed under this section shall be determined by surveys which are satisfactory to the Secretary. The cost of any such surveys shall be borne by the Air Force.

(d) The Secretary may require such additional terms and conditions in connection with the transaction authorized by this section as the Secretary considers appropriate to protect the interests of the United States.

PREMOBILIZATION AUTHORITY

SEC. 807. Section 2808 of title 10, United States Code, is amended as follows: (1) by inserting in the first sentence of subsection (a), immediately after the phrase "requires use of the armed forces," the phrase "or when the President determines that there is an imminent threat to the national security of such a nature that existing facilities would be inadequate to meet a mobilization effort," and (2) by adding at the end of subsection (c) the following sentence: "With respect to a Presidential determination of an imminent threat to the national security of such a nature that existing facilities are inadequate to meet a mobilization effort, the authority described in subsection (a) shall terminate six months after such determination unless the President issues a declaration of national emergency or war is declared, in which case the authority described in subsection (a) shall terminate at the end of the war or national emergency.".

AUTHORIZED COST VARIATIONS

SEC. 808. Subsection 2853(e) of title 10, United States Code, is amended by inserting the phrase "is more than the amount specified by law as the maximum amount for a minor military construction project and" after the phrase "under the contract".

EXPEDITING CONTINGENCY AND EMERGENCY CONSTRUCTION

SEC. 809. Subchapter I of chapter 169, of title 10, United States Code, is hereby amended by (1) inserting in the first sentence of subsection 2803(b) the phrase ", prior to the obligation of funds for such project," immediately after the word "shall" and deleting the last sentence of such subsection, and (2) inserting in the first sentence of subsection 2804(b), the phrase ", prior to the obligation of funds for such project," immediately after the word "shall" and deleting the last sentence of such subsection.

TITLE IX

SEC. 901. There are authorized to be appropriated for fiscal year 1986 such sums as may be necessary for the Secretary of Defense and the Secretaries of the Army, Navy, and Air Force to establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment.

○

OPENING STATEMENT BY SENATOR MACK MATTINGLY

Senator MATTINGLY. The subcommittees will come to order.

The distinguished Senator from South Carolina has been detained at the White House briefly, but he should be back here shortly. In his absence he suggested that we go ahead and begin the hearing.

I ask unanimous consent that upon Senator Thurmond's return we allow time for his opening statement and remarks. Without objection, we will keep on moving in that direction.

Today's hearing is the overview of the Department of Defense military construction budget request for fiscal year 1985.

After opening remarks by the Department witnesses today, we will have a period for questions by members present. As we have done in the past, we will limit each member to 10 minutes at a time to allow for everyone present to have time for questions.

I would ask that the Department respond to our questions that will be submitted for the record in a timely fashion.

We are holding these joint hearings for two reasons.

One, so you won't have to make as many trips back and forth. Second, we will save the taxpayers some money.

I want to say a welcome to you, Dr. Korb.

I also look forward to hearing the testimony from our two outside witnesses today, Mr. James Supica who is representing the Association of General Contractors, who will speak on small business set-asides, and Ms. Rogin who is representing the National Association of Child Care Management, who will speak on child care centers.

Today's hearing begins the overview of the largest military construction budget ever presented to the Congress, $10.4 billion including family housing.

I know that we are all aware of the rumors floating around about a so-called revised defense budget put together as a result of the President's agreement on a deficit reduction package. What impact the revision will have on military construction remains to be seen.

I know Dr. Korb will address this to the best of his ability.

Whatever the final amount of the military construction request may be, I anticipate it will be an increase over the fiscal year 1984 appropriation.

I would like to go on record as stating my continued support for the Military Construction Program, but also go on record as stating that the program will come under careful review to assure all projects are truly needed and meet the goals in the Military Constructon Program.

I was notified and I have already notified our chairman of the Appropriations Committee of a beginning reduction of $1.4 billion in the fiscal year 1985 bill. That was done prior to the so-called administration's deficit reduction package and we are not sure what is in it at this time.

We look forward today to hearing Dr. Korb expressing his views on military construction as part of the overall defense budget and his thoughts on where the program is going and why. I believe this is the primary purpose of this overview hearing and vitally important in light of the substantial increase requested in the individual military construction account.

At this time I will now call on Dr. Korb to do whatever he may wish to do with his testimony. If you want, you may give it in whole for the record or give a brief synopsis.

STATEMENT OF HON. LAWRENCE J. KORB, ASSISTANT SECRETARY OF DEFENSE (MANPOWER, INSTALLATIONS, AND LOGISTICS)

Dr. **Korb.** Thank you very much, Mr. Chairman.

It is a pleasure to be here. I would like to commend your committee and the Senate Armed Services Committee for holding these joint hearings. I think it is the best use of your time, our time, and taxpayers' money. I hope this is a precedent that will be continued permanently.

I have a longer statement for the record which together with the justification material provided earlier by the services, covers the program in more detail. Also, I would like to include for the record several Defense agencies statements.

I would like, however, to address two topics and then answer your questions.

First, I will describe the fiscal year 1985 military construction request in broad terms, explaining why it needs to be so high and why I believe it should not be a candidate for reductions.

Then I will cover an item of particular interest to the committees, accompanied tours at ground-launched cruise missile sites.

The construction request should not be considered in isolation. The projects we are asking you to authorize support specific national defense strategies and policies.

For example, we are requesting $324 million to allow us to deploy the Trident submarine system, whose procurement Congress has already approved.

Another example is the $220 million for constructon in Korea to provide decent working and living conditions for our soldiers and airmen who carry out the national strategy of the forward defense of Korea.

In total, the Defense military construction request for 1985 is $10.4 billion. One-quarter of the 1985 request is for money to operate and maintain the houses we have right now for military families. These funds are required to continue the progress we are making to reduce the backlog of needed repairs.

The rest, $7.7 billion, is for new construction. Construction in the United States accounts for 73 percent of our request, with 18 percent for bases in Europe, and 9 percent in other areas overseas.

The geographic breakdown is approximately the same as in last year's appropriation. However, we have seen a slight shift in construction emphasis toward the United States, where we spent only 65 percent of our construction funds in 1981–83.

Representatives from the individual military services will appear later to describe in more detail their specific construction requirements. My purpose is to explain how the requirement should be reviewed in total.

Our $10.4 billion request is 42 percent more than was appropriated last year. There is no doubt that is a lot of money, and it is important that you understand why we need it.

The Defense Department operates a vast array of military installations; 5,500 installations covering 41,000 square miles—roughly the size of the State of Tennessee. Our physical plant consists of structures and pavements worth $350 billion.

The administration and Congress are entrusted by the Nation with taking care of this establishment. Together you and I are stewards of a $350 billion trust fund.

Each year, time consumes a portion of those structures and pavements. Some of that consumption is from routine use and general aging. Airfields are stressed by training operations and cracked by winter weather. Underground pipes corrode and break. Buildings get too old to repair.

Some of our real estate trust succumbs to obsolescence. For example, Nike installations did not get too old to use; the weapon they were built to support became obsolete. We no longer need lots of stables for our horses or small hangars for our DC-3's.

But we now need large maintenance shops for our Abrams-M1 tanks and KC-135's, and silos for missiles, and bases for Trident submarines.

We cannot stop the processes of aging and obsolescence. We cannot stop time from consuming our structures and pavements. They are consumed, whether or not money is appropriated to replenish them.

The only question for us, the stewards of the $350 billion trust fund, is whether to restore the fund or to let the capital be consumed.

In the 1970's we consumed the capital. We replaced only 1 percent of our structures per year, and that was not nearly enough. Some of our installations were falling down. Many more were in disgraceful condition—no place for the professionals who operate and maintain our Armed Forces to work proudly and productively.

It is no coincidence that recruiting and retention, as well as readiness, fell to historic lows.

Our goal should be pay as we go—not to consume our capital. That is the only way of carrrying out our trust responsibility.

Let us now see how we in the Department of Defense propose to carry out the trust in 1985.

The 1985 budget request includes $7.7 billion for construction. That is only about 2 percent of the value of our facilities. This is equivalent to renewal of our plant once every 45 years. That is an average, of course.

Many of our structures, with proper maintenance, will be useful beyond 45 years. But, with changing technology, expanding forces, and challenges emerging in different areas of the world, I believe that we will eventually need an even higher replacement rate for our installation trust fund.

Lowered spending on new construction would save nothing. We would merely be living off the capital of our trust fund and mortgaging the future. It is in those terms that I urge you to consider and approve our request of $7.7 billion for 1985.

I understand that the request is large, and it would be fair to ask if we could not live off of capital just a little, and take just a small mortgage on the future.

Could we not build only what is needed for new weapon systems, and otherwise make do for just a year or two? I believe this would be a particularly bad time to do that for three reasons:

First, it is not going to be any easier a year or two from now to come up with the money. We would then be faced with next year's share plus whatever we had let slide this year.

Second, we tried that in the 1970's with very bad results. We postponed needed construction a year at a time, but tomorrow never came. By 1980 we were losing skilled and dedicated military people who had enough.

Enough of living 8 to a room, or 12 to an attic.

Enough of maintaining a $1 million tank while ankle deep in mud, and enough of having to wash the mud off in a cold shower.

Enough of working long hours to clear the corrosion from parts that had been stored out in the weather.

Enough of trying to consider themselves professional in an outfit that forced its people to work and live in nonprofessional surroundings.

We have recovered some from the neglect of the 1970's. But we must look to the future.

The construction projects in the 1985 budget will not be finished and in use until 1987 or 1988. Suppose we put them off—for a year or two, of course. What happens?

In 1987 and 1988 many of our military people will still be living in World War II wooden barracks served by World War II utility systems, and working unproductively in World War II maintenance sheds—with a promise that things will get better in a year or two.

At that same time the recruit-aged population will be at a low point. And the private economy will be offering young people numerous and attractive alternatives to military service.

People who have been trained by the military in electronics, computers, and other technical skills will be particularly sought after. They will be hard to keep and even harder to replace.

I do not want our people, in 1987 or 1988, to have to be considering their career options while living in an old shack, because they will not and should not believe it is just for another year or two.

We must treat our military people like the skilled professionals they are. That means adequate compensation and decent working and living conditions. These things are particularly important with the introduction of new weapon systems such as Trident, B-1, Peacekeeper, and GLCM.

Over 1 billion dollars' worth of facilities are in this year's program to provide adequate working and living conditions for the people responsible for making those and other new weapon systems work.

Frankly, we were lucky to be able to recover from the neglect of the 1970's. We have a President and Secretary of Defense who have been uncompromising in their efforts to restore pride and strength to the Nation's military forces.

Military service has become an attractive starting place for many bright young people; we need to keep them in the service.

We cannot risk returning here in the 1980's to the policy of neglect that failed in the 1970's.

Now that I have explained why our request is so high, and why it should not be a candidate for reduction, I want to cover an item that is of particular interest to the committees: Accompanied tours at ground-launched cruise missile sites.

Congress did not authorize us last year to build facilities needed to support accompanied tours for the people who operate our ground-launched cruise missiles. This authority was denied because there was still a chance that the Geneva talks would succeed in eliminating the need for deployment.

Now, one year later, the situation has changed. Deployment is proceeding on schedule, and the IOC was met at Greenham Common in December 1983. Missiles have been deployed to Italy, and deployment is planned for Belgium and the Netherlands over the next several years.

Accompanied tours at these sites are a must. It is cheaper for us than unaccompanied tours, it is more effective, and it is the right thing to do for our people. One of the biggest accompanied tour costs is for family housing, but that housing will be manufactured in the United States and shipped to the sites.

I urge your support for the total program, but particularly for accompanied tours of duty for the ground-launched cruise missile mission.

That concludes my summary. I would be pleased to answer your questions.

[The prepared statement of Dr. Korb follows:]

Statement of
Lawrence J. Korb
Assistant Secretary of Defense
(Manpower, Installations and Logistics)
Before The
Subcommittees on Military Construction
of the
Senate Appropriations Committee
and
Senate Armed Services Committee
March 20, 1984

Mr. Chairmen and Members of the Committees:

I am pleased for this opportunity to appear before your Committee to discuss the Department's Fiscal Year 1985 Military Construction Program.

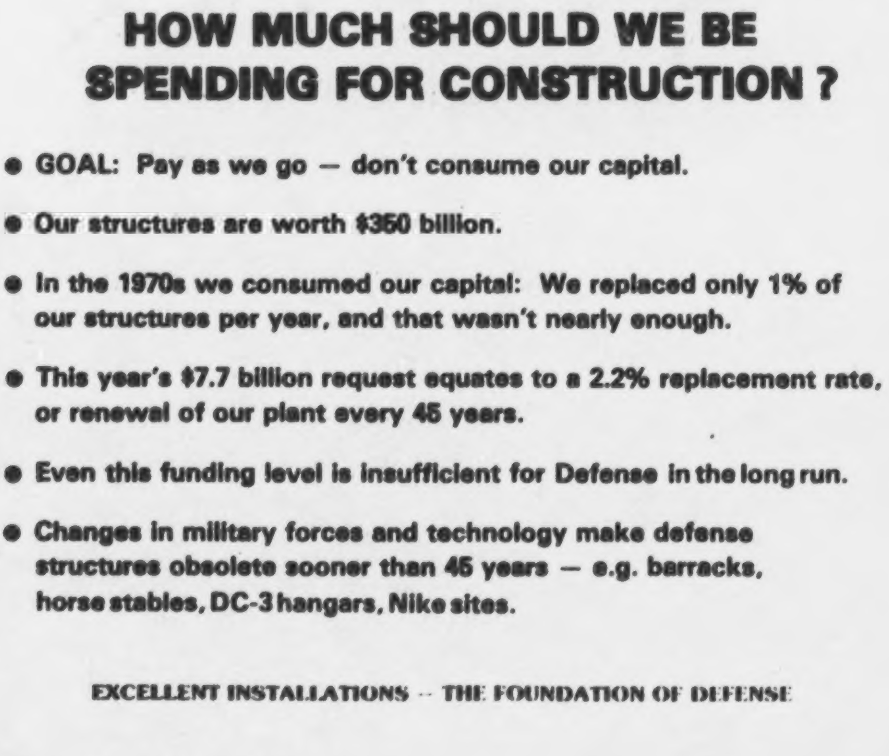
The request for FY 1985 is for $10.4 billion in appropriations. Of this total $7.1 billion is for regular military construction, $0.6 billion is for family housing construction, and $2.7 billion is for the support of more than 400,000 existing military family housing units. This program will fund over $1 billion worth of projects in support of new weapon systems and will provide nearly $2 billion to modernize currently deteriorated facilities.

I. VALUE OF IN-PLACE FACILITIES

(Chart 1) Our physical plant currently has a replacement value of over $350 billion. If you exclude the $2.7 billion in this year's request for family housing support, the remaining $7.7 billion associated with construction is about 2.2 percent of that replacement value. At this rate, we would renew our plant every 45 years.

Some structures are functional after 45 years but others are not. Whether or not a 2.2 percent replacement rate is the right target is unknown. What we do know is that 1 percent is not right. We tried a 1 percent replacement rate in the seventies and it was not enough. The physical plant was deteriorating rapidly, repair and maintenance requirements grew at alarming rates, and the poor working and living conditions endured by our people hindered our ability to attract and retain valuable careerists.

CHART 1



HOW MUCH SHOULD WE BE SPENDING FOR CONSTRUCTION ?

- **GOAL: Pay as we go — don't consume our capital.**
- **Our structures are worth $350 billion.**
- **In the 1970s we consumed our capital: We replaced only 1% of our structures per year, and that wasn't nearly enough.**
- **This year's $7.7 billion request equates to a 2.2% replacement rate, or renewal of our plant every 45 years.**
- **Even this funding level is insufficient for Defense in the long run.**
- **Changes in military forces and technology make defense structures obsolete sooner than 45 years — e.g. barracks, horse stables, DC-3 hangars, Nike sites.**

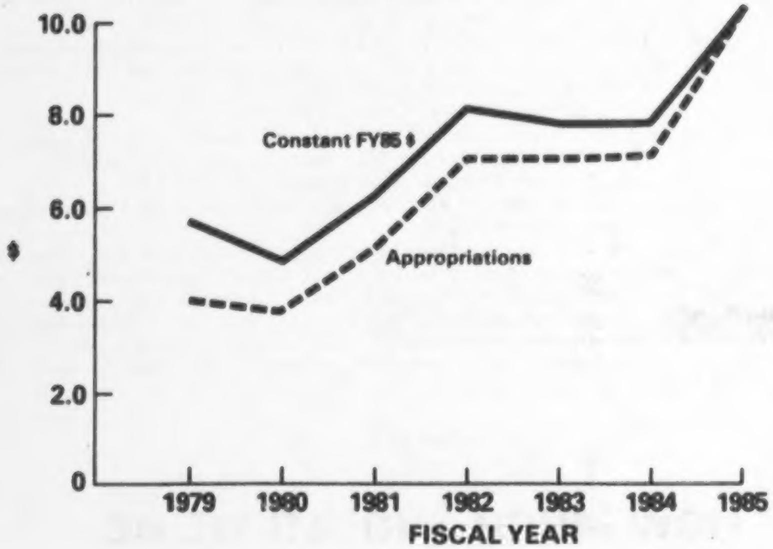
EXCELLENT INSTALLATIONS — THE FOUNDATION OF DEFENSE

(Chart 2) The situation started to improve in FY 1982 as a result of increased funding, and that investment is paying off. Commanders everywhere are reporting marked improvements in working and living conditions. Army Secretary Marsh reported after a recent visit to Germany that, "The Administration's facility improvement program has had a great impact on morale, efficiency and readiness."

CHART 2

MILITARY CONSTRUCTION APPROPRIATIONS FY1979-FY1985

($ Billions)



EXCELLENT INSTALLATIONS – THE FOUNDATION OF DEFENSE

(Chart 3) The next chart shows examples of where we were before we started to make inroads against the problem. Similar situations still exist as evidenced by over a $50 billion current construction requirement. The progress we are making and where we need to be are shown in the examples of new barracks at Garlstadt and a maintenance shop in Korea. But we cannot afford to mark time just because some progress has been made.

Over the last three years, our request has been reduced by $3.8 billion in real terms, and appropriations have decreased by 7 percent from FY 1982 to FY 1984. This year's appropriation request of $10.4 billion might appear to be a large increase over last year, but it is $700 million less than the $3.8 billion lost over the last three years. The $10.4 billion is needed to make up for the lost ground, and to ensure that we have the excellent installations needed to carry out Defense missions effectively.

CHART 3

MILITARY CONSTRUCTION

FACILITIES ARE A KEY TO DECENT WORKING AND LIVING CONDITIONS

Where we were:

Four people to a small barracks room in Babenhausen, Germany

Removing tank engine in mud and cold weather in Korea

Where we need to be:

Barracks at 2nd Armored Division, Garlstedt, Germany

New maintenance shop, Camp Hovey, Korea

What happened in the last three years:

FY	Request ($ Billions)	Enacted ($ Billions)	% Congressional Reduction
1982	8.1	7.2	11
1983	8.3	7.2	13
1984	8.8	7.3	17
Total	25.2	21.7	14

- Congressional actions since FY82 put us $3.8 billion behind our planned position (constant $)
- This year's request is $10.4 billion

EXCELLENT INSTALLATIONS—THE FOUNDATION OF DEFENSE

[illegible]

II. THE FY 1985 PROGRAM

A. Major Changes from Last Year.

(Chart 4) All facility types need improvement, but the largest dollar increases are shown on this chart. I'll give you a few examples of the work proposed in these categories:

- In the hospital and medical category about $200 million is associated with Phase II of the Travis AFB facility, $115 million for the Tripler addition, and amounts ranging from $11 to $30 million for the Fort Lewis, Oakland, San Diego, and Loring facilities ($342 million in authorization is being requested for Fort Lewis).
- The operational and training increase is primarily tied to new weapon systems such as the B-1 at $16 million, $114 million for Peacekeeper and continuation of work needed to support GLCM deployment ($255 million) and Trident ($138 million).
- Big items for Maintenance and Production include $44 million for modernization at Rock Island Arsenal, $46 million for Johnston Island, $113 million for Trident at Kings Bay, and projects in the $20 million range at Little Creek, Virginia (Air Cushion Landing Aircraft), Tinker AFB (Blade Repair Facility), Cubi Point, Philippines and Ansbach, Germany (Maintenance Hangars).
- The Family Housing Construction increase is due primarily to our plan to build or acquire 1,600 more units this year than last year (3,817 units vs. 2,197). New construction accounts for $200 million of the increase with the balance attributed to more work than last year in upgrading some of our 400,000 unit inventory.
- We plan to devote more resources to upgrading our administrative facilities for example at NORAD ($25 million) and various data processing facilities ($72 million).
- Supply facilities are for fuel storage ($95 million), ammunition storage ($121 million), and general storage ($80 million).
- Guard and Reserves have benefited from a general program increase along with two big items; a $29 million pier at Treasure Island, California and $32 million for C-5A facilities at Kelly AFB, Texas.
- The big increase in the schools program is due to $54 million for Section 6 schools which were not in prior years' programs (two new schools would be built and ten modernized), and $100 million more for overseas schools to build twice as many as last year (10 vs 5) and alter or modernize four times as many (28 vs 7).

CHART 4

MAJOR CHANGES
($ Millions)

Facility Category	FY1984 Enacted	FY1985 Request	Change	
			$	%
Hospital & Medical	114	490	+376	+330
Operational & Training	1,212	1,586	+374	+31
Maintenance & Production	643	956	+313	+49
Family Housing O&M	2,409	2,643	+234	+10
Family Housing Construction	352	569	+217	+62
Administrative	86	239	+153	+178
Supply	131	273	+142	+108
Dependents Schools	47	186	+139	+296
Guard and Reserves	303	391	+88	+29
General and Recoupment Reductions	-654	–	+654	–
Other	2,663	3,057	+ 394	+15
TOTALS	7,306	10,390	+3,084	+42

EXCELLENT INSTALLATIONS—THE FOUNDATION OF DEFENSE

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B. Geographic Distribution of the Construction Program (Excludes Family Housing O&M)

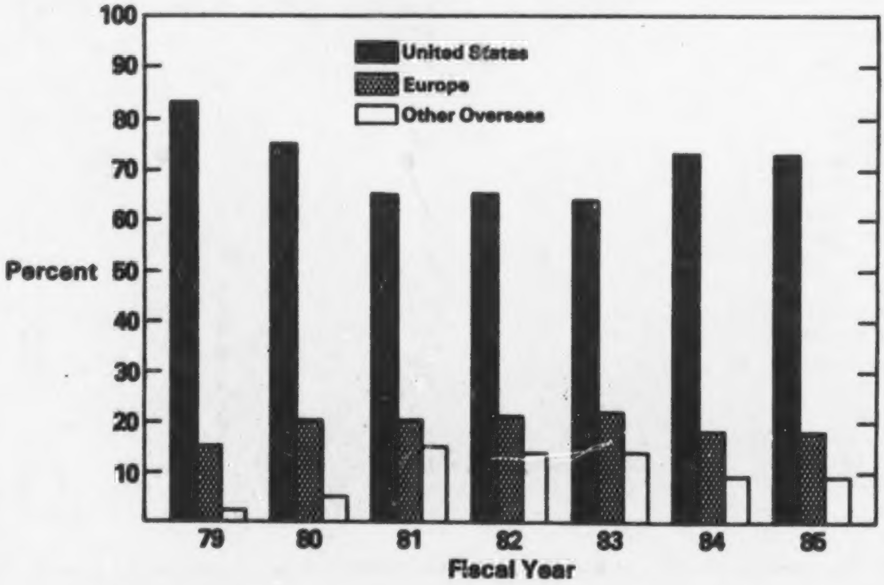
(Chart 5) This chart shows how the $7.7 billion construction program was split among the United States, Europe, and other overseas areas since FY 1979. As you can see, about 73 percent ($5.6 billion) of the FY 1985 program is geared to installations in the United States, 18 percent ($1.4 billion) in Europe, and 9 percent ($700 million) in other areas. The geographic breakdown is about the same as in last year's appropriation. However, this represents a slight shift in construction emphasis toward the United States, where we spent only 65 percent of our construction funds in 1981 - 1983. The amount of the program invested in overseas areas other than Europe increased in FY 1981 due to recognition of the need to meet requirements in Korea, the Philippines, and Southwest Asia.

Overseas assignments are particularly hard on our people and their families for numerous reasons in addition to basic culture shock. Things all of us take for granted as being available in the United States often times are very scarce if available at all in certain countries. For example food (for the soul as well as the body) is quite different in Japan. Schools and places of worship are significantly different, and recreational pursuits vary in most foreign countries. Housing is usually very scarce and quite different from American standards.

CHART 5

MILITARY CONSTRUCTION BY GEOGRAPHIC AREA

(EXCLUDES FAMILY HOUSING O&M)



EXCELLENT INSTALLATIONS—THE FOUNDATION OF DEFENSE

(Chart 6) This next chart shows some of the states the 380 thousand military people stationed overseas come from. About 200 thousand spouses either accompany the miliary servicemen or women or are forced into a family separation. There are an additional 150 thousand military people on temporary duty who must rely on overseas facilities for up to six months. The total is staggering, and unless we continue to address overseas working and living conditions in a positive manner, their discontent with an overseas assignment will have a negative effect on retention and mission performance.

CHART 6

MILITARY PEOPLE STATIONED OVERSEAS*

(Thousands)

From	Europe	Far East	Other	Total
Alabama	8.1	1.8	.4	10.3
Arkansas	3.6	.9	.2	4.7
California	22.0	6.3	1.2	29.5
Colorado	3.7	.9	.2	4.8
Florida	16.9	4.0	1.1	22.0
Georgia	10.5	2.2	.5	13.2
Guam	.7	.2		.9
Hawaii	1.6	.9	.1	2.6
Indiana	6.9	1.7	.4	9.0
Louisiana	4.8	1.2	.3	6.3
Maryland	6.2	1.5	.4	8.1
Michigan	11.3	2.7	.6	14.6
Mississippi	4.3	1.0	.2	5.5
Nebraska	1.8	.5	.1	2.4
Nevada	.9	.3	.1	1.3
New Hampshire	1.6	.4	.1	2.1
New Mexico	1.8	.5	.1	2.4
New York	18.9	4.8	1.4	25.1
North Carolina	10.9	2.4	5	13.8
Ohio	14.6	3.6	.7	18.9
Oklahoma	3.1	.8	.2	4.1
Pennsylvania	14.1	3.7	.8	18.6
South Carolina	7.0	1.5	.3	8.8
Tennessee	6.7	1.6	.4	8.7
Texas	17.4	4.4	1.1	22.9
Utah	1.2	.3	.1	1.6
Virginia	9.1	2.0	.5	11.6
Washington	5.2	1.5	.3	7.0
Other	69.3	24.8	6.2	100.3
Total	284.2	78.4	18.5	381.1

*On Permanent Change of Station Orders. Excludes about 150,000 transients (can be up to a 6-month tour).

EXCELLENT INSTALLATIONS – THE FOUNDATION OF DEFENSE

III. OVERSEAS CONSTRUCTION

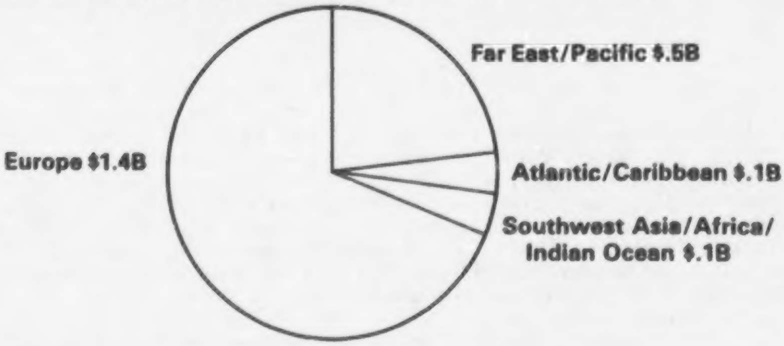
A. European Construction

(Chart 7) Construction in Europe continues to command the largest share of our overseas requirements. This year's proposal totals almost $1.4 billion, which includes $297 million for the U.S. contribution to NATO Infrastructure and $255 million for deployment of Ground-Launched Cruise Missile ($149 million of which is associated with accompanied tours). This program is absolutely essential to overcome the low funding in earlier years which contributed to the degradation of our physical plant and delayed construction in support of our people and weapon systems.

CHART 7

FY 1985 FUNDING FOR GEOGRAPHIC REGIONS

Overseas Military Construction—Total $2.1 Billion



EXCELLENT INSTALLATIONS—THE FOUNDATION OF DEFENSE

For FY 1985, the Army is requesting $359 million to continue its program of improving working and living conditions and to provide operational support facilities for newly deployed weapon systems. Of the total, some $84 million will be used to construct or rehabilitate barracks, dining halls and other personnel support facilities. Another $13 million is planned for medical and dental facilities. There are also facilities for the maintenance and support of tanks, trucks, Patriot missiles and aviation units.

The Navy's proposed budget is $119 million. The emphasis is on operational and personnel support requirements in Iceland, Italy, and Spain. Operational facilities will require $76 million to support maritime patrol units in Sicily, the modernization and upgrade of an air intercept squadron in Iceland, and the U.S. share of a jointly-funded pier in Spain. Another $43 million for personnel support and hospital facilities will improve the quality of life for Navy people and their families.

Almost half of the $503 million Air Force request is for operational support construction, family housing, and community support facilities at the Ground-Launched Cruise Missile sites. Base maintenance, training, and other operational support requirements total $161 million.

B. Southwest Asia and Indian Ocean Construction

The construction requested for Southwest Asia in FY 1985 will continue the development of support facilities for contingency operations and will improve the readiness of our naval units in the Indian Ocean. $129 million is requested for additional contingency facilities. We have also requested the extension of the FY 1983 authorization for Ras Banas to provide the U.S. share of a planned facility which will be and constructed. We must complete this construction in Southwest Asia to obtain the support facility structure necessary to carry out the U.S. policy to maintain free world access to Persian Gulf oil when a cutoff is threatened.

C. Pacific

Our Pacific construction request totals $496 million. Projects in support of forward basing in the Pacific include a continuing effort to upgrade working and living conditions in all areas. As with the European program, we have increased our investment over the past four years and propose an increase in FY 1985. What we are doing here is catching up for many years of underfunding. We have included $108 million for unaccompanied housing and $47 million for dining halls, physical fitness and other community facilities. On Johnston Island there are two projects to improve our capability to store and demilitarize toxic munitions. We are upgrading our maintenance capability in Korea, Japan and the Philippines and also have included much needed school construction in Korea, Okinawa and the Philippines.

D. Burdensharing in the Pacific

For the past several years, both the Japanese and the Korean governments have been funding facilities to support the U.S. forces stationed in their countries. Each year we give them a list of specific projects that are needed to support existing or planned forces. They then select projects that fall within general categories approved for host nation support. In Japan, the projects normally involve personnel support, environmental projects, and family housing, whereas the Koreans prefer to fund operational facilities. During 1983, the Japanese funded $229 million of our construction requirements and the Koreans funded $61 million. From 1979 to 1983, Japan paid $791 million for U.S. facilities compared to our $124 million. But this is just a small portion of the total host nation support we receive from these countries. In addition to construction, both governments provide other items such as land, tax abatements, utility cost reductions, and personnel offsets. The total value of host nation suppot in Japan and Korea approaches one billion dollars a year.

E. Master Restationing Plan (MRP)

During 1983, we continued to press for a German commitment to help fund the Master Restationing Plan. Meetings were held at the working and senior levels and there were numerous exchanges, both oral and written, between President Reagan, Secretary Weinberger, Secretary Schultz, and their German counterparts. Because of political and economic problems, the Federal Republic of Germany has not been able to agree to a cost-sharing arrangement for MRP. We are continuing to work with the German delegations in an attempt to solve the funding issue. As we do, I ask for the Committee's patience and approval of an MRP-related project in this year's request - a Division Air Defense (DIVAD) project at Giessen at a cost of $29 million. As you are aware, the Army is undergoing extensive restructuring and modernization. Under these programs, the DIVAD is scheduled to replace the VULCAN system. The DIVAD is an all-weather system with greater area coverage than its predecessor. Based on mission analysis, its best location is at Giessen. Without the FY 1985 construction funds, the scheduled deployment of DIVAD will be delayed and our air defense capability will not be enhanced.

F. NATO, Prefinancing, and Recoupment

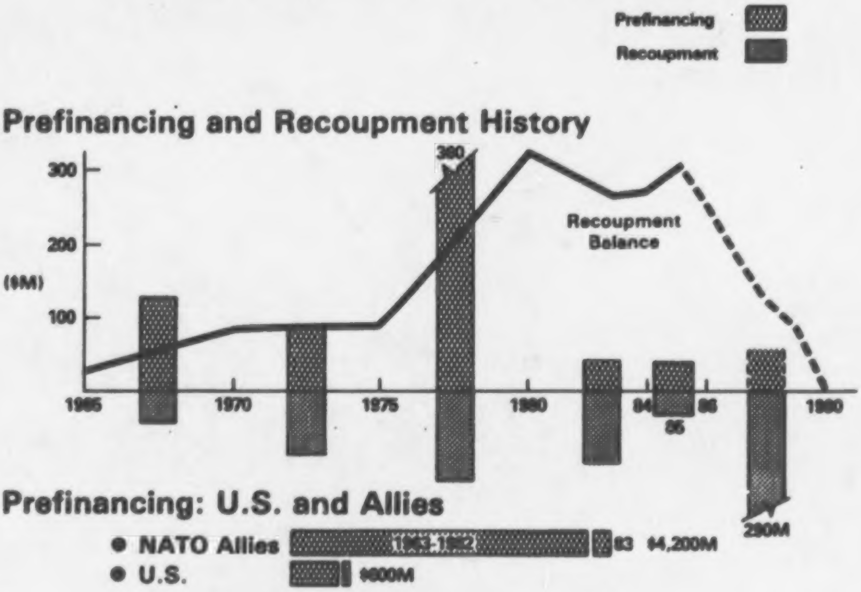
Our contribution to the NATO Infrastructure remains at 27 percent, but we continue to receive between 35 and 45 percent of the annual programming. We expect to realize about a 50 percent real-term annual funding increase during the next multi-year funding cycle currently being negotiated by the allies. We are hoping for an approved six year funding level of about $10 billion.

(Chart 8) This chart shows our track record over the years. The line shows the recoupment balance as affected by prefinancing and recoupments. Prefinancing hit a record high of $360 million in the second half of the seventies but has fallen off dramatically in recent years because of Congressional direction. As you can see, we plan to eliminate the recoupment balance by 1990.

It is interesting to note the amount of prefinancing we do as opposed to that done by the allies. It is actually a "shadow infrastructure program". The United States did about one-eighth of the total prefinancing in the twenty-year period ending in 1983. Obviously, the allies have far more to recoup than we do but have not been reluctant to contribute off-line through prefinancing to obtain the required facilities.

CHART 8

NATO-ELIGIBLE CONSTRUCTION



EXCELLENT INSTALLATIONS—THE FOUNDATION OF DEFENSE

IV. CONSTRUCTION AND CONTRACTING

A. Getting it Done

(Chart 9) We have made great strides in improving our construction contracting process. This chart shows our project awards for FY 1979-1983. In Fiscal Year 1983 we awarded contracts for 90 percent of our Fiscal Year 1983 projects. This is up from the 85 percent awarded in Fiscal Year 1982 and the 81 percent in Fiscal Year 1981. I am confident that we will continue to improve in Fiscal Year 1984. I think it is evident that we are complying with Congressionl direction to award projects in the year they are appropriated.

B. Savings in Past Years

The timely award of construction contracts has also allowed us to take advantage of the continuing favorable bidding climate. "Savings" as a result of low bids are being used to finance those projects authorized but not directly funded by Congress. However, I doubt that any net savings will be available at the end of Fiscal Year 1984 because: (1) we reduced the cost estimates used to prepare the Fiscal Year 1984 program, (2) Congress reduced the Fiscal Year 1984 appropriation request by over $400 million to account for additional predicted savings, and (3) the Congress authorized additional projects to be funded from any savings which would accrue.

C. Pricing for This Year

Our cost estimating for the Fiscal Year 1985 program allows even less margin for error than our estimates for Fiscal Year 1984. The estimates were based on our good bid experience and low inflation rates over the past two years. We have taken a calculated risk that this favorable bidding climate will continue through Fiscal Year 1985. We also have assumed that Davis-Bacon reforms will be fully implemented. Even if the current construction price trend continues, our costing of unaccompanied enlisted personnel housing and community facilities might require an increase in future cost variation and reprogramming requests. All Committees have expressed concern that our cost estimates were not based on 35 percent design. Most of the projects in this program are at the 35 percent design stage and the Services were allowed to adjust their cost estimates as late as December 1983.

D. Better Design Management

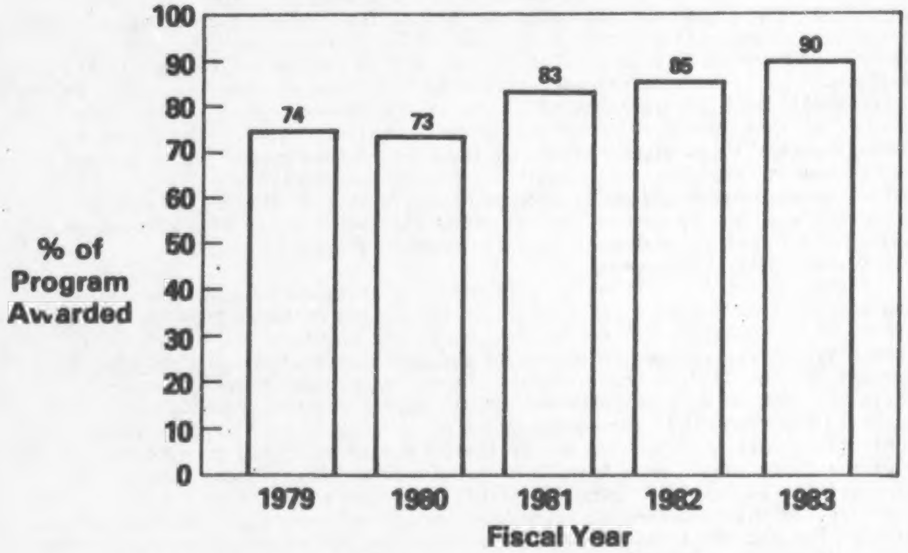
The Department is working towards reducing costs during both the design and construction phases of projects. In the design phase we hope to reduce construction costs through better designs by the architect-engineers. The rating system was revised to emphasize the importance of meeting budget targets and to eliminate construction change orders due to design errors. While this action will not provide immediate cost savings, eventually it will identify the firms that are most successful in meeting cost targets and controlling cost growth. The use of these data in selecting architect-engineer firms should result in lower construction costs in the future. The services are aggressively pursuing architect-engineer liability for construction change orders cost incurred because of errors or omissions on the part of the architect-engineer. We also are placing increased emphasis on the use of value engineering to eliminate or modify non-essential design and construction requirements. Most of the reduced costs from these efforts will be developed during design and will be reflected in the cost estimates we submit in the budget.

E. Managing Change Orders

To control costs during construction, the Services are closely examining all change orders which increase construction costs, and are eliminating those that are not essential. We are also looking at alternative contracting methods which could reduce construction costs. The Services have selected four projects from the Fiscal Year 1984 and 1985 programs for which performance specifications will be used in making contract awards. If cost reductions are realized, the use of performance specifications will be expanded. The Department of Defense will continue to use prefabricated or modular facilities where cost effective. We also will continue to package small projects into large contracts to attract more bidders and reduce mobilization costs. The Davis-Bacon reforms which the Department of Labor is now implementing also will help reduce the cost of construction in the United States.

CHART 9

PROJECT AWARDS



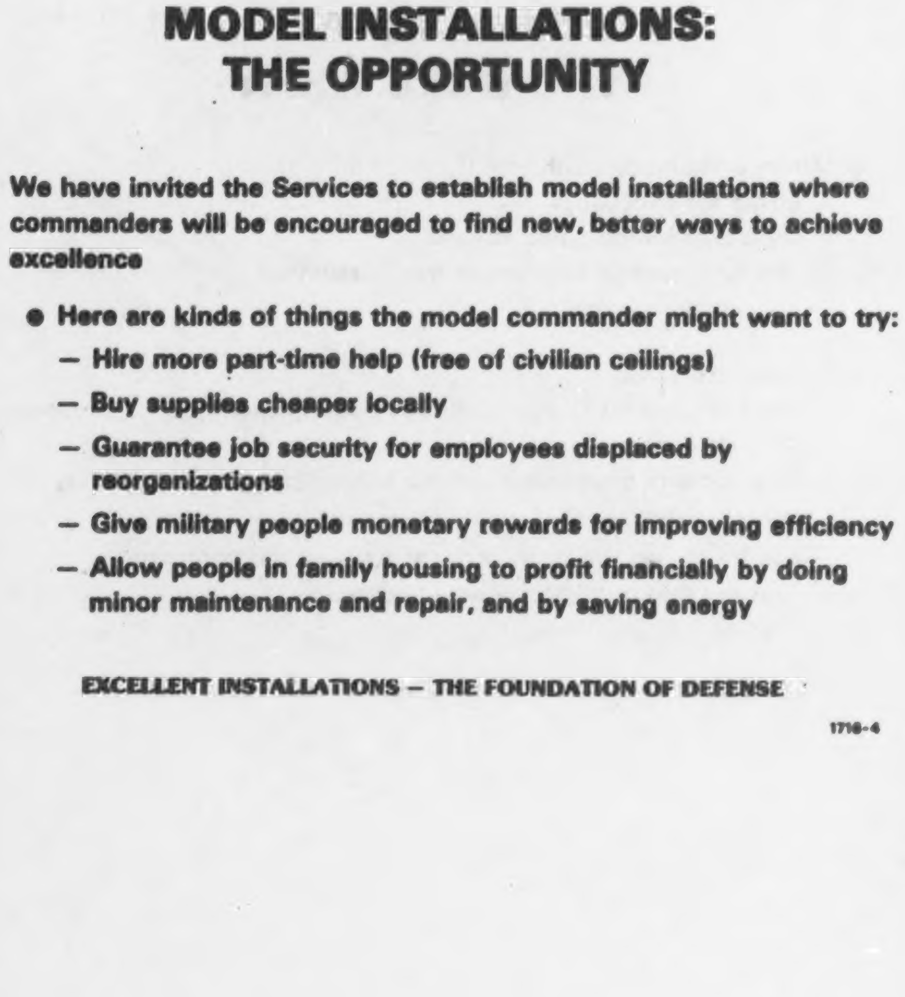
EXCELLENT INSTALLATIONS—THE FOUNDATION OF DEFENSE

V. OTHER MANAGEMENT INITIATIVES

A. Model Installation Program

(Chart 10) A major new initiative is DoD's Model Installation Program. The goal is to improve working and living conditions for our people with the savings we can generate from improved base management. The program is a three-year, voluntary test at a few bases (no more than 15) where local commanders will be given more authority and encouraged to try new ideas.

CHART 10



MODEL INSTALLATIONS: THE OPPORTUNITY

We have invited the Services to establish model installations where commanders will be encouraged to find new, better ways to achieve excellence

- **Here are kinds of things the model commander might want to try:**
  - **Hire more part-time help (free of civilian ceilings)**
  - **Buy supplies cheaper locally**
  - **Guarantee job security for employees displaced by reorganizations**
  - **Give military people monetary rewards for improving efficiency**
  - **Allow people in family housing to profit financially by doing minor maintenance and repair, and by saving energy**

EXCELLENT INSTALLATIONS – THE FOUNDATION OF DEFENSE

1716-4

(Chart 11) When asked, we will waive Defense and Service regulations to allow our model base commanders to test new methods of operation. If needed, we will ask Congress for temporary relief from some statutes so that new methods can be tested.

The military commanders involved are enthusiastic about being in the program. I believe a lot can be gained from this "grass-roots" approach, and request your support.

CHART 11

MODEL INSTALLATIONS: WHO DOES WHAT

- **Model Installations will**
  - **strive for excellence**
  - **try new methods, risk failures**
  - **use any savings to improve the installation**
  - **put up with visitors**
- **Headquarters will**
  - **protect planned budget, without pouring money in or skimming savings away**
  - **help model commander get the authority he needs, quickly**
  - **seek legislative relief when necessary**
  - **not try to run the base or second guess the commander**
  - **find out and publicize what's happening**

EXCELLENT INSTALLATIONS — THE FOUNDATION OF DEFENSE

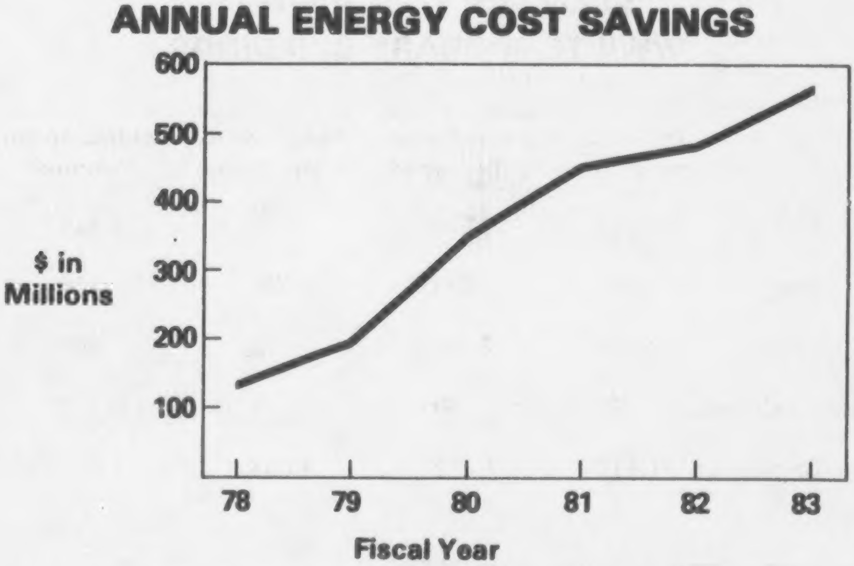
1716-4

B. Energy Conservation

(Chart 12) The Department of Defense is vigorously continuing its support of a program of energy conservation for Defense facilities. This program consists of: improved design techniques for new buildings and energy systems; low-cost and efficient operations and maintenance practices; heightened personnel awareness of conservation; the use of alternative energy technology; and, major retrofit of existing buildings and energy systems through the Energy Conservation Investment Program (ECIP). These efforts have produced over $2 billion in avoided energy costs from FY 1975 through FY 1983, with over $500 million in energy cost avoidance in FY 1983.

Since FY 1976 the Department has invested over $1 billion in permanent energy conservation retrofit actions through the ECIP. We estimate this investment has been amortized by the energy savings through FY 1983. These energy savings will continue. We support this program as "good business" and have included $154 million for such projects in the FY 1985 Military Construction program request.

CHART 12



EXCELLENT INSTALLATIONS—THE FOUNDATION OF DEFENSE

C. Eliminating World War II Temporary Buildings

(Chart 13) The Senate Committee on Armed Services requested that the Military Services develop a plan by January 1, 1983, to eliminate World War II temporary facilities from the inventory. The Committee states that the buildings:

- are dangerous - burn easily;
- have limited fire protection features;
- are energy extravagant;
- are operationally inefficient; and
- are costly to maintain.

The target date established by the Committee for completion of demolition and replacement of necessary facilities is 1990.

The Services have submitted their plans for eliminating these buildings from their inventories by 1990. This chart shows a summary of their plans.

CHART 13

PLAN FOR ELIMINATING WWII TEMPORARY BUILDINGS

	Total No. of Bldgs.	Bldgs. to Be Demolished & Replaced	Bldgs. to Be Demolished	Bldgs. to Be Retained
Army	27,047	4,588	3,225	19,234*
Navy	1,169	234	749	186
Air Force	3,164	2,625	72	467
Marine Corps	37	30	7	0
Total	31,417	7,477	4,053	19,887

* Demolition will continue after 1990.

EXCELLENT INSTALLATIONS – THE FOUNDATION OF DEFENSE

D. Legislative Initiatives

This year's authorization bill is structured in accordance with the Military Construction Codification Act. In the administrative provisions, we propose to increase the maximum number of family housing units that can be leased in foreign countries to 31,000. This is an increase of 1,000 over the number presently authorized. The general provisions include a number of new legislative proposals which are necessary for improved management. The legislation would:

- Modify Section 2775 of Title 10, United States Code, concerning liability for damage to housing, equipment and furnishings. The modification extends liability to unaccompanied personnel housing, provides authority for the Secretary of Defense to limit liability or waive claims, permits for collection of damages by other than checkage of pay, and makes military members liable for actions of their guests.
- Modify Section 2830 of Title 10, United States Code, to require military members to pay a flat 75 percent of their basic allowance for quarters as rental for substandard quarters. This proposal would eliminate the need for and cost of establishing fair rental values through appraisals. The Services indicate that this change would affect less than 2 percent of the military members occupying substandard quarters.
- Minimize interest charges on court judgments by permitting payment without seeking specific legislation. When property is obtained by the government by condemnation an estimated fair market value is paid and title is passed to the government. The landowner sometimes challenges the amount paid and the court can award the difference which accrues interest. This amendment would allow the debt to be paid promptly, avoiding unnecessary accumulation of interest after the award.
- Raise the amount we can pay for property options to 12 percent. Under current market conditions property owners are generally unwilling to encumber their property for such a low rate of return and the Services have rarely been able to acquire options on needed property. As a result the Services either have to pay much more for the property or prime sites are lost to private developers. The rate increase is based upon an analysis of real world market conditions.
- Permit us to carry out restoration commitments on permitted land. Federal agencies frequently make land available to each other on a permit basis. When the using agency has no further need for buildings or other improvements constructed under the permit, they become surplus and if they cannot be transferred or sold they become eyesores and a hazard. Under present rules demolition and restoration is not permitted.
- Authorize the Air Force to exchange lands for the Consolidated Space Operations Center (CSOC) in Colorado. The CSOC is presently under construction near Colorado Springs. The state owns land on three sides of the site and is willing to enter into a no cost exchange of land for restrictive easements to protect CSOC from encroachment and also provide for future potential expansion. The provision would authorize an exchange of acres at former Ent Air Force Base in Colorado Springs, or other DoD land that may be available in the state for restrictive easements over state lands adjoining CSOC.
- Permit mobilization construction prior to a declaration of war or national emergency. The proposed legislation will allow the Secretary of Defense to use unobligated funds to construct facilities when the President determines that there is an imminent threat to our national security. Currently, this authority is not effective until a national emergency or war is declared. This is too late to provide timely construction facilities for forces that are mobilized when a national emergency or war is declared.
- Modify reporting cost variations of projects below the maximum

amount for unspecified minor construction projects. This legislation eliminates the requirement to notify the Congress of cost variations in minor construction projects which occur after contract award. Such notifications are not now required for cost variations which occur prior to contract award. The legislation will eliminate unnecessary paperwork.

- Allow the Secretary of Defense and the Secretary of the Military Departments to obligate monies for critical, but currently unauthorized, construction projects without waiting three weeks as is required by current law. Measures necessary to protect the Marines in Beirut have highlighted the weaknesses of our present authorities. A delay of a few days, let alone three weeks, can prove costly in terms of human life.
- Modify Section 2233a of Chapter 133, Title 10, United States Code, to raise the level for minor construction projects using operations and maintenance funds from $50,000 to $100,000 for Guard and Reserve facilities. The $50,000 limit was set in 1975. It now requires $100,000 to provide the same purchasing power.
- Modify Section 2233 of Chapter 133, Title 10, United States Code, to authorize the contribution of Federal funds to meet changes in Department of Defense missions not necessary to execute the unit's state mission. This would provide 100 percent federal funding for construction of storage space and other facilities at armories to accommodate equipment received in support of new federal missions.

E. The Environmental Program

1. Environmental protection remains a high priority effort throughout the Department. We are committed to eliminating all remaining air and water pollution deficiencies and, to pursuing innovative solutions to hazardous waste problems as they are identified.

2. Water Pollution Abatement

The Department of Defense has made significant strides in controlling both domestic and industrial wastewater. At the end of FY 1983, 79 percent of the Department of Defense's major wastewater sources were in full compliance with all laws and regulations. The FY 1985 request includes $58.4 million for 16 projects. One project, for $26 million at the Radford Army Ammunition Plant, Virginia, to treat TNT wastes, will prevent water pollution from toxic substances.

3. Air Pollution Abatement

Most of the Department of Defense's air pollution problems have already been corrected. At the end of FY 1983, 97 percent of our major air pollution sources were in full regulatory compliance. As new facilities such as power plants are constructed, air pollution controls are included as an integral part of the design. The FY 1985 request includes one project for nearly $1 million at Travis Air Force Base, California, to control vapor emissions from jet fuel storage. A comprehensive review of our significant air pollution deficiencies was completed and sent to the Environmental Protection Agency in mid-1983. Programs to resolve all violations identified are progressing satisfactorily.

4. Hazardous Waste Control

The major environmental challenge facing the Department of Defense today is control of hazardous wastes. Construction of adequate hazardous waste storage facilities is a high priority effort. Storage facilities are holding areas used until wastes are picked up by our contractors for treatment or disposal. The FY 1985 request includes $5 million for four hazardous waste storage facilities. We expect to continue programming this type of facility for several more years.

5. Defense Environmental Leadership Project

The Department of Defense has undertaken a major environmental program initiative called the Defense Environmental Leadership Project. An office has been staffed to study long-term environmental issues that have important cost and policy implications. The project will examine both technical and policy issues in order to significantly improve the Department of Defense's environmental perspective and performance. This two-year, million-dollar effort will probably result in future military construction requirements such as modification of industrial processes to reduce hazardous waste generation.

6. Relationship with the Environmental Protection Agency

During the past year, the Department of Defense has worked diligently with the Environmental Protection Agency to improve communication between our agencies. In August 1983, our agencies signed a Memorandum of Understanding on Superfund to clarify our responsibilities. We are jointly funding a research project on environmental standards. EPA has detailed a Senior Executive Service employee to my immediate environmental staff. We are working hard with the new EPA leadership to assure more effective Department of Defense environmental performance.

VI. CONCLUSION

In conclusion, I would like to express my appreciation for this opportunity to appear before you to present the Department of Defense Fiscal Year 1985 military construction request. This request is consistent with the President's objectives for economy, national security, management efficiency, and improved quality of life for our service men and women. I strongly urge your support for our appropriations and authorization requests and would like to emphasize how essential it is that you support our overseas construction program.

I look forward to our working together to develop the base structure needed to support our nation's defense.

Military Construction Program
Statement in Support
# of the FY 1985 Budget Request
before the Joint Hearing of the Armed Services
and Appropriations Committees of the Senate

by

Dale A. Seaberg

Assistant Director for Installations and Logistics

NSA/CSS

THIS DOCUMENT IS UNCLASSIFIED IN ITS ENTIRETY

Introduction

Mr. Chairman and members of the Committee: I appreciate the opportunity to appear before you today to discuss the National Security Agency's FY 1985 budget request for military construction. Contained in this request are projects encompassing all aspects of NSA functions -- from research and development, through operational activities and training, to support for our facilities and personnel worldwide. Each of these projects is equally important to the conduct of the intelligence missions of the United States Government. The FY 1985 request consists of six major projects costing $45,765,000 and five minor construction proposals totalling $2,235,000. Our complete FY 1985 military construction budget request is $48 million, a decrease of approximately $30 million from last year's request. I will now discuss each project.

Systems Processing Center - $12,585,000

The first of our FY 1985 construction projects is a Systems Processing Center. This proposed center will encompass 148,000 square feet, and will serve three functions. First, it will house logistical and operational facilities necessary for the testing and evaluation of new or upgraded electronic and computer systems. Secondly, it will provide permanent facilities for anechoic or vibration-free chambers, a Research and Engineering Antenna Test Facility, and a Model and Plating Shop. Finally, the new center will provide space for an electronic/optical research laboratory.

The changing technology of the National Security Agency's principal mission requires continuing test and evaluation of electronic computer systems prior to deployment. We have specific, high-priority requirements for anechoic chambers in support of mission related projects that require equipment development and testing. The primary need is for a facility which is capable of handling varied electronic equipment configurations supported with adequate power and environment, and which will also accommodate research and development activities using anechoic chambers and ancillary equipment.

We currently have very limited facilities within existing operational areas to accommodate the test and evaluation of transient electronic equipments. Frequently, system deployment

IS DELAYED WHILE SPACE AND REQUISITE FACILITIES ARE PREPARED. FURTHER, EXISTING ANECHOIC FACILITIES ARE ANTIQUATED AND DO NOT HAVE THE FREQUENCY RANGE CAPABILITY REQUIRED FOR CURRENT MISSION SUPPORT AND ANTENNA DEVELOPMENT.

IF THIS PROJECT IS NOT FUNDED, SYSTEMS REQUIRING TEST AND EVALUATION PRIOR TO DEPLOYMENT WILL CONTINUE TO EXPERIENCE DELAYS. OUR DEVELOPMENT AND TESTING OF EQUIPMENT IN SUPPORT OF MISSION RELATED PROJECTS WILL BE RESTRICTED TO THE LIMITED CAPABILITY OF AVAILABLE FACILITIES FOR THIS PURPOSE NOW HOUSED IN DECENTRALIZED, TEMPORARY WORLD WAR II WOODEN STRUCTURES. THE FULL RANGE OF TESTING AND DEVELOPMENT REQUIRED TO SUPPORT CURRENT SYSTEMS WILL NOT BE REALIZED. ALTERNATIVES SUCH AS USE OF CONTRACTOR FACILITIES ARE NOT ACCEPTABLE BECAUSE OF ATTENDANT SECURITY PROBLEMS AND THE INABILITY TO PREDICT FUTURE REQUIREMENTS FOR TESTING ON A QUICK REACTION BASIS.

EXTERIOR RETROFIT - OPERATIONS BUILDING 1 - $12,700,000

OUR SECOND FY 1985 CONSTRUCTION INITIATIVE INVOLVES A TEMPEST AND ENERGY RETROFIT PACKAGE FOR OPERATIONS BUILDING 1 AT OUR FORT MEADE HEADQUARTERS. THIS PROPOSED RETROFIT INSTALLATION WILL PROVIDE AN ELECTROMAGNETIC AND THERMAL ENVELOPE FOR AN EXISTING BUILDING COMPLETED IN 1957.

ELECTROMAGNETIC MATERIAL AND THERMAL INSULATION WILL BE APPLIED TO THE EXTERIOR OF THE BUILDING, BEHIND A REFLECTIVE GLASS WALL AND BENEATH A NEW ROOFING SURFACE. THE ROOF REPLACEMENT WILL BE FUNDED BY $2 MILLION IN O&M FUNDS, AS A PART OF THE TOTAL PROJECT. THE WINDOW AREA WILL CONFORM TO THE DOD STANDARDS, BY USING DOUBLE GLAZING. UNNEEDED WINDOWS WILL BE COVERED OVER.

WE ESTIMATE THAT WE NOW SPEND $4.5 MILLION EACH YEAR TO BUILD TEMPEST FEATURES INTO THE INDIVIDUAL PIECES OF EQUIPMENT WE BUY. PROVISION OF AN ELECTROMAGNETIC ENVELOPE AROUND THE BUILDING WILL OBVIATE THE NEED FOR THESE EXPENDITURES.

ECONOMIC ANALYSIS OF THIS PROJECT THEREFORE REFLECTS A PAYBACK IN APPROXIMATELY THREE YEARS, FROM SAVINGS PRODUCED BY NOT HAVING TO PROTECT INDIVIDUAL EQUIPMENTS AGAINST UNWANTED ELECTRONIC EMANATIONS.

APPRAISERS' STORES BUILDING - $7,500,000

THE THIRD OF OUR FY 1985 CONSTRUCTION PROJECTS CALLS FOR THE PURCHASE AND MODIFICATION OF THE FORMER APPRAISERS' STORES BUILDING IN DOWNTOWN BALTIMORE. WE INTEND TO USE THE BUILDING PRIMARILY TO HOUSE THE NSA ARCHIVAL ACTIVITY. HOWEVER, IT WILL ALSO BE USED TO PROVIDE CLASSROOM AND OPERATIONAL FACILITIES FOR SELECTED ACTIVITIES. BECAUSE THE BUILDING IS OWNED BY THE GENERAL SERVICES ADMINISTRATION (GSA), WE ARE REQUIRED BY FEDERAL REGULATION 101-47 TO PAY FAIR MARKET VALUE FOR THE BUILDING IN ORDER TO TRANSFER OWNERSHIP. GSA HAS ASSESSED A VALUE OF $5 MILLION. THE PROJECT BEFORE YOU INCLUDES THE FUNDS REQUIRED FOR PURCHASE. THE REMAINING $2.5 MILLION REQUESTED WILL BE USED TO MODIFY THE STRUCTURE IN ORDER TO MAKE IT SUITABLE FOR ITS PROJECTED ACTIVITIES.

THE NSA/CSS RECORDS STORAGE FACILITY CURRENTLY IN USE FAILS TO MEET MINIMUM ARCHIVAL STANDARDS AND HAS BEEN DENIED OFFICIAL NATIONAL ARCHIVES AND RECORDS SERVICE APPROVAL DUE TO STRUCTURAL, MECHANICAL, ENVIRONMENTAL AND ELECTRICAL DEFICIENCIES. THESE CONDITIONS POSE DANGERS TO THE VALUABLE CRYPTOLOGIC RECORDS STORED. MODIFICATION AND UPGRADE OF THE PRESENT FACILITY TO MEET THE PRESCRIBED STANDARDS WOULD BE VIRTUALLY IMPOSSIBLE WITHOUT TOTAL DEMOLITION AND RECONSTRUCTION.

Concerning the need for additional classroom and operational areas, there are just no facilities available, either at our Fort Meade Headquarters or our leased Friendship Annex facilities, to accommodate either the new curricula or the new operational activities.

Denial of funds for this project would severely impact on NSA's ability to establish an archival facility that complies with even minimum standards. We would be forced to retain valuable and essential cryptologic records in an unsatisfactory facility without proper environmental and fire protection features. In addition, denial of funds would restrict the other projected uses of the Appraisers' Stores Building and severely hamper both our educational and operational initiatives. Moreover, relocation of the archive function permits expansion of operational space within our Communications Security organization, where the archives are presently housed.

Support Activities Building Addition - $4,680,000

The fourth FY 1985 construction project calls for an addition to the existing Support Activities Building (SAB) #3 at our Ft. Meade headquarters. This expansion, consisting of an additional 56,000 SF, will provide space for special tape processing equipment, document handling equipment, and photographic developing equipment--all in support of the Agency's expanded mission. Present facilities for each of these functions are severely limited.

Concerning the special tape processing capabilities, our tape degaussing functions are currently housed inefficiently in a high bay area of Support Activities Building #3. There is no room available for expansion at the current location, and moving the operation to a new area has two distinct advantages. First, it will provide facilities in an environment specifically designed for a tape degaussing operation and, second, it will enable us to restore the high bay areas to their original tape storage function, thereby providing more efficient distribution of tapes to our consumers.

The document handling area currently is used for the Armed Forces Courier Service or ARFCOS activity. This is a tri-service agency charged with the movement of highly classified material for all DoD, State Department and Federal contractor activities. Approximately 80 percent of the 60 million pounds that ARFCOS

HANDLES ANNUALLY IS PRODUCED BY NSA. THIS PROJECT PROPOSES TO ACCOMMODATE BOTH AN EXPANSION OF THE CURRENT OPERATION IN ORDER TO MEET INCREASED REQUIREMENTS, AND THE RELOCATION OF ARFCOS HEADQUARTERS FROM WASHINGTON, DC.

THE AGENCY'S PHOTOGRAPHIC LABORATORY IS PRESENTLY HOUSED IN A TEMPORARY LOCATION. THIS CONFIGURATION IS NOT COMPATIBLE WITH THE FACT THAT WE HAVE EXPERIENCED A GROWTH RATE IN OUR PHOTOGRAPHIC WORKLOAD OF 17 PERCENT PER YEAR FOR THE LAST FIVE YEARS. MOREOVER, THE ENVIRONMENTAL SYSTEM IS INADEQUATE FOR PHOTOGRAPHIC PROCESSES, AND IS CONSIDERED DETRIMENTAL TO THE HEALTH OF EMPLOYEES WORKING THERE. WHILE MINOR ADJUSTMENTS HAVE BEEN MADE TO BRING THE FACILITIES UP TO MINIMUM ACCEPTABLE HEALTH LEVELS, THERE IS IN FACT NO FURTHER EXPANSION OR UPGRADING POSSIBLE AT THE CURRENT LOCATION.

SHOULD NO NEW FACILITIES BE PROVIDED, THE AGENCY AND ITS CUSTOMERS WILL BE DENIED EXPEDITIOUS DOCUMENT HANDLING, TAPE PROCESSING AND PHOTOGRAPHIC PROCESSING. SUCH A DENIAL OF FUNDS WILL SEVERELY AFFECT THE AGENCY'S CURRENT AND NEW MISSION REQUIREMENTS.

POWDERBLUE 1 - $4,500,000

THE FIFTH PROJECT FOR FY 1985 IS THE CONSTRUCTION OF AN OPERATIONS/WAREHOUSE COMPLEX AT AN OVERSEAS LOCATION. THIS NEW FACILITY WOULD SERVE AS THE CENTRAL WAREHOUSE, DISTRIBUTION AND REPAIR POINT FOR FIELD SITES OVERSEAS AND WOULD REPLACE THE PRESENT INADEQUATE FACILITY.

THIS TYPE OF LOGISTICS OPERATION REQUIRES A FACILITY SUITABLY LOCATED CLOSE TO TRANSPORTATION FACILITIES IN ORDER TO PROVIDE TIMELY RESPONSE IN THE RECEIVING AND SHIPPING OF PARTS AND THE MOVEMENT OF PERSONNEL. IT ALSO REQUIRES ACCESS TO ARFCOS POUCHING FACILITIES. THE CURRENT ACTIVITY IS POORLY LOCATED, BADLY DESIGNED AND INCAPABLE OF SATISFACTORILY HANDLING THIS MISSION, LET ALONE ANY EXPANSION TO IT. THE PRESENT FACILITY IS LOCATED IN A PRE-WORLD WAR I BARRACKS AND WAS ORIGINALLY DESIGNED TO SUPPORT ONLY A FEW SITES. THE PROBLEM IS FURTHER COMPLICATED BECAUSE THE EXISTING BUILDING, DUE TO ITS CONSTRUCTION AND AGE, CANNOT BE EXPANDED TO MEET THE ADDITIONAL SPACE REQUIREMENTS. IN ESSENCE THE ACTIVITY NEEDS A TOTAL RECONFIGURATION OF ITS SPACE. MODIFICATION OF THE EXISTING FACILITY IS NOT A FEASIBLE SOLUTION. THERE ARE SERIOUS STRUCTURAL PROBLEMS WITH THE PRESENT BUILDING IT IS SUBJECT TO PERIODIC FLOODING, WHICH IS AN UNACCEPTABLE CONDITION FOR THE STORAGE OF ELECTRONIC PARTS AND EQUIPMENT REQUIRING STRICT ENVIRONMENTAL CONTROLS. FINALLY, THE CONFIGURATION OF THE BUILDING IS SUCH THAT THE EXISTING

OPERATIONS AREA MUST BE CLEARED WHENEVER MAINTENANCE PERSONNEL REQUIRE ACCESS TO BUILDING UTILITIES. THIS CAUSES FREQUENT DISRUPTIONS TO THE OPERATION.

SHOULD FUNDS FOR THIS PROJECT BE DENIED, THERE WOULD BE SIGNIFICANT NEGATIVE IMPACT BOTH AT FIELD SITES AND AT OUR FT. MEADE HEADQUARTERS. THE EXISTING FACILITY WILL BE UNABLE TO SUPPORT PROJECTED NEW LEVELS OF ACTIVITY, THEREBY REQUIRING MATERIAL AND EQUIPMENT SUPPORT TO ORIGINATE FROM STATE-SIDE SUPPLY POINTS. THIS IN TURN WOULD CAUSE SIGNIFICANT INCREASES IN SHIPPING AND TRAVEL COSTS. AT THE SAME TIME, SUPPORT FROM THE FACILITY TO EXISTING OPERATIONAL AREAS WILL CONTINUE TO ERODE, CAUSING SEVERE MISSION DEGRADATION.

SINGLE ENLISTED QUARTERS (SEQ) MODIFICATIONS - $3,800,000

OUR SIXTH FY 1985 CONSTRUCTION PROJECT CONSISTS OF MODIFICATIONS TO TWO SINGLE ENLISTED QUARTERS (SEQ) AT FORT MEADE, BUILDINGS 9827 AND 9828. THE PROPOSED MODIFICATIONS WILL CONVERT EXISTING SLEEPING ROOMS AND CENTRAL LATRINES INTO COMBINATION SUITES WITH SEMI-PRIVATE BATHS SEPARATING TWO SLEEPING ROOMS. IN ADDITION AND WHERE APPROPRIATE, PRIVATE ROOMS AND COMMUNITY LOUNGES WILL BE CONSTRUCTED. AT PRESENT, THESE TWO BUILDINGS ARE THE ONLY SEQS AT THE NSA FORT MEADE COMPLEX THAT HAVE CENTRAL LATRINES. ALL THE OTHER QUARTERS HAVE BEEN RENOVATED AND CONTAIN EITHER A PRIVATE OR SEMI-PRIVATE BATH IN ACCORDANCE WITH DOD CONSTRUCTION CRITERIA MANUAL 4270.1M AND DOD INSTRUCTION 4165.47. THIS PROJECT WILL IMPROVE THE QUALITY OF LIFE FOR SINGLE ENLISTED OCCUPANTS BY UPGRADING THE QUARTERS TO THE SAME STANDARDS AS THE OTHER SINGLE ENLISTED QUARTERS IN THE NSA TROOP COMPLEX.

SHOULD FUNDS FOR THIS PROJECT BE DENIED, IT WILL FURTHER AGGRAVATE A LONG STANDING MORALE PROBLEM. THE PROXIMITY OF THE OTHER SEQS THAT HAVE PRIVATE OR SEMI-PRIVATE BATHS COULD FURTHER DEGRADE ENLISTED PERSONNEL MORALE AND CONTRIBUTE TO A REDUCTION IN PRODUCTIVITY AND A LOWERING OF THE RETENTION RATE.

The proposed electric vault venting system, also at our Fort Meade Headquarters, provides for exhausting toxic gases from the Operations Building electric substations.

The electric substation proposed at a field site would enhance station operations by providing much needed additional electric transformer capacity.

At another field site we are proposing two projects. One will modify four existing structures to consolidate functional areas more efficiently. The second project will upgrade the 25 year old utility distribution system. This upgrade will meet existing and projected utility needs through 1989, and will include an expansion of both water supply and water storage capacity.

This concludes my presentation; thank you for your time.
Are there any questions?

MINOR CONSTRUCTION PROJECTS - $2,235,000

THE REMAINING ITEMS FOR WHICH WE ARE REQUESTING FUNDS INVOLVE IMPROVEMENTS TO BOTH OUR FORT MEADE FACILITIES AND TWO OF OUR FIELD SITES. THESE FIVE PROJECTS, TOTALLING $2,235,000, COVER THE FOLLOWING:

AT OUR FORT MEADE FACILITIES:	
AUTOMATIC WASTE COLLECTION SYSTEM SUPPORT	($410,000)
ELECTRICAL VAULT VENTING SYSTEM	($125,000)
AT A FIELD SITE:	
ELECTRIC SUBSTATION	($500,000)
AND AT ANOTHER FIELD SITE:	
BUILDING MODIFICATIONS	($700,000)
UPGRADE MAIN POST UTILITIES	($500,000)

THE PROPOSED SUPPORT FOR OUR AUTOMATIC WASTE COLLECTION SYSTEM CONSISTS OF PROVIDING LOCKERS, SHOWERS, RESTROOMS AND ADMINISTRATIVE SPACES IN THE CENTRALIZED CLASSIFIED WASTE DESTRUCTION COMPLEX. AT PRESENT, SUCH FACILITIES ARE SCATTERED IN TEMPORARY TRAILERS, IN A NOISE HAZARDOUS AREA NOT CONSISTENT WITH OSHA STANDARDS.

FAMILY HOUSING, DEFENSE APPROPRIATION
STATEMENT IN SUPPORT
OF THE FY1985 BUDGET REQUEST

BY

DALE A. SEABERG

ASSISTANT DIRECTOR FOR INSTALLATIONS AND LOGISTICS

NSA/CSS

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE: I APPRECIATE THE OPPORTUNITY TO APPEAR BEFORE YOU TODAY TO DISCUSS THE NSA FY1985 BUDGET FOR FAMILY HOUSING. THE NATIONAL SECURITY AGENCY'S FISCAL YEAR 1985 PROGRAM IS DESIGNED TO SATISFY THE HOUSING NEEDS OF NSA OVERSEAS ASSIGNEES, BOTH MILITARY AND CIVILIAN. OUR PROGRAM HAS FOUR PARTS: LEASE, OPERATION AND MAINTENANCE, CONSTRUCTION, AND IMPROVEMENTS TO EXISTING QUARTERS.

WE ARE REQUESTING $6,088,000 TO CONTINUE WITH OUR FOREIGN LEASING PROGRAM. OF THIS, $2,881,000 WILL BE USED TO PAY FOR 310 STANDARD LEASE AUTHORIZATIONS. THE REMAINING $3,207,000 WILL BE USED FOR QUARTERS WE LEASE UNDER THE AUTHORITY OF THE NATIONAL SECURITY AGENCY ACT OF 1959, AS AMENDED. WE ALSO REQUIRE $838,000 TO OPERATE AND MAINTAIN THE 117 FAMILY HOUSING UNITS WE NOW OWN, PLUS $70,000 FOR SEVERAL SMALL SCALE PROJECTS TO IMPROVE THESE UNITS.

FINALLY, WE REQUIRE $693,000 TO CONSTRUCT SIX FAMILY HOUSING UNITS ON POST AT A CLASSIFIED FOREIGN LOCATION FOR OCCUPANCY BY ASSIGNED PERSONNEL, BOTH MILITARY AND CIVILIAN. CONSTRUCTION OF UNITS AT THIS LOCATION WILL RESULT IN FEWER RENTAL UNITS AND ENSURE AN ADEQUATE SUPPLY OF SUITABLE QUARTERS ON POST. THE CONSTRUCTION WILL TAKE ADVANTAGE OF EXISTING LAND AND UTILITIES.

THIS COMPLETES MY PRESENTATION OF THE NATIONAL SECURITY AGENCY FAMILY HOUSING PROGRAM FOR FISCAL YEAR 1985. I AM PREPARED TO ANSWER ANY QUESTIONS ON THESE REQUIREMENTS.

STATEMENT OF
MR. CHARLES A. HAWKINS, JR.
ASSISTANT DEPUTY UNDER SECRETARY OF DEFENSE (INTELLIGENCE)
BEFORE THE
MILITARY CONSTRUCTION SUBCOMMITTEES
SENATE ARMED SERVICES COMMITTEE
SENATE APPROPRIATIONS COMMITTEE
FISCAL YEAR 1985
20 MARCH 1984

Mr. Chairman and Members of the Committee:

I am Mr. Charles A. Hawkins, Jr., Assistant Deputy Under Secretary of Defense for Intelligence, Office of the Under Secretary of Defense for Research and Engineering. Our office has the primary functional responsibility for the Defense Foreign Language Training Program; the Department of the Army is the Executive Agent for accomplishing the training.

It is a privilege to testify on behalf of the fiscal year 1985 military construction request for the Defense Language Institute Foreign Language Center, Presidio of Monterey, California. This year we are requesting authorization and appropriation of $22.5 million for seven projects: a dining facility, physical fitness center, library, child care center, recreation center, logistics support facility, and a company administration and supply facility.

The Defense Language Institute Foreign Language Center (DLIFLC) in Monterey, CA is the premier school for the training of linguists for the Department of Defense. In excess of 80% of the graduates of the school are assigned to critical intelligence positions in the United States and overseas. The Institute provides for, and assures instruction in 61 foreign languages and major dialects. Expanding defense and intelligence requirements have stimulated a growth in student loads, increasing in excess of 61 percent in the last five years. The accomplishment of the training mission is a Defense-wide priority, and the school has been forced to open auxiliary, temporary sites at available property in Texas and San Francisco; these sites must be vacated by FY 1985 and FY 1987, respectively. They were also forced to rent commercial (former public school) property in the metropolitan Monterey area to secure adequate classroom, office, and administrative support space. To meet these expanding space requirements and to replace badly outdated (1903) construction now being used, the Department of Defense embarked on a major site modernization program for the Presidio of Monterey to support DLIFLC requirements.

In FY 1983 and 1984, DoD proposed, and Congress approved, the first two phases in a major construction effort to provide adequate classrooms, barracks, and support facilities aimed at ensuring high standards of training through 1990 and beyond. The FY 1983 projects include an 80 classroom general instructional facility and barracks space for 690 enlisted personnel. Both of these are under construction. The FY 1984 program added another 80 classroom building, barracks space for 600 students, a base-wide utilities upgrade, and a dining facility modernization. These projects are at, or are approaching, 100 percent design and will be ready for advertisement in March, April, and May 1984. To support these living and working areas, the Department is providing for support facilities for the almost 5,000 students, permanent party, faculty, and staff at the Presidio. These recreation and family and academic support facilities will provide for replacement of hopelessly outdated construction, and for needed capabilities not currently on the Presidio. The projects are sized in response to a growing mission and are in accordance with Departmental standards. A master site plan has been developed, approved by the Department, and is being discussed with local governments. The required environmental assessments are also being accomplished. Designs for the seven FY 1985 projects range from 60 to 100 percent complete.

Without these new facilities, we fear that the Military Departments and Defense Agencies will not be able to meet critical intelligence, cryptology, international studies, strategic planning, analysis, and force deployment objectives. The assessment of future requirements demands that we continue a capital investment in these adequate, modern facilities, pressing on toward the development of the DLIFLC as a key national resource for foreign language training. Full Congressional support for this program is essential and will be appreciated.

Mr. Chairman, that completes my prepared statement. I and my office are prepared to answer any additional questions you may have.

STATEMENT OF

MR. THOMAS P. JEFFERS

DIRECTOR FOR LOGISTICS AND ENGINEERING

DEFENSE NUCLEAR AGENCY

BEFORE THE

JOINT HEARING OF THE

MILITARY CONSTRUCTION SUBCOMMITTEES

ARMED SERVICES COMMITTEE

AND

APPROPRIATION COMMITTEE

UNITED STATES SENATE

FISCAL YEAR 1985

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

I am Thomas P. Jeffers, Director of Logistics and Engineering for the Defense Nuclear Agency.

It is a privilege to appear before you and present the Defense Nuclear Agency's Fiscal Year 1985 Military Construction Request. We are requesting authorization and appropriation of $1.0 million for one project at Ft McClellan, Alabama.

Our agency operates the Security Operational Test Site at Ft McClellan, Alabama where security operational concepts for weapons storage facilities are tested. When tests are scheduled at the site there are 30 to 35 people who are involved with conducting and monitoring the tests, as well as analyzing the data that is generated. DNA also has four personnel stationed at Ft McClellan to operate and coordinate administrative actions concerning the site.

Four house trailers, each over 10 years old, are temporarily being used to meet the needs associated with conducting tests. They are substandard in terms of both physical security and adequacy of space. The military construction project proposed for FY85 will construct an Operations Building which will replace the substandard trailers. The Operations Building will provide personnel conducting tests at the Security Operational Test Site an area to work, to monitor the tests, to review and analyse data that is obtained, to store classified documents, and to store and maintain test associated equipment.

STATEMENT OF

EDWARD W. FINNEGAN

ASSISTANT DEPUTY DIRECTOR FOR PROGRAMMING

DEFENSE MAPPING AGENCY

BEFORE THE

MILITARY CONSTRUCTION SUBCOMMITTEES

FOR THE

SENATE ARMED SERVICES COMMITTEE

AND

SENATE APPROPRIATIONS COMMITTEE

UNITED STATES SENATE

20 MARCH 1984

Mr. Chairman, members of the Committee, I appreciate the opportunity to discuss with you the Defense Mapping Agency's Military Construction Program for Fiscal Year 1985. Our program consists of one project at the Defense Mapping Agency Hydrographic/Topographic Center, Brookmont, Maryland. The estimated project cost is $20.1 million, which is based on 35% design.

The MILCON project at the Hydrographic/Topographic Center will provide for construction of an addition to an existing production facility, Abert Hall, which houses precision photogrammetric, photographic, and cartographic plotting equipment used in the production of mapping, charting and geodetic products. The project is required in Fiscal Year 1985 to accommodate $31 million in mapping, charting, and geodetic production equipment for weapons systems support programmed between Fiscal Year 1984 and Fiscal Year 1987, and equipment being developed in research and development to enable soft copy production in the late 1980's timeframe. This equipment is necessary to meet current weapons systems' requirements for a large volume of data, including digital, all with stringent accuracies. The building must be shielded to control radio frequency energy emanations in accordance with TEMPEST security requirements, and will require strict environmental controls to support environmentally sensitive mapping, charting, and geodetic production equipment. The building is required by second quarter Fiscal Year 1987 to support delivery dates of programmed production equipment.

I will be happy to answer any questions you may have.

Statement of

Beth Stephens, Ph.D.

Department of Defense Dependents Schools

Before The

Subcommittees on Military Construction

Of The

Senate Appropriations Committee

And The

Senate Armed Services Committee

March 20, 1984

Mr. Chairman and Members of the Committee, I am Beth Stephens, director of the Department of Defense Dependents Schools (DoDDS).

I appreciate having this opportunity to appear before your Committee today to present the FY 1985 Military Construction (MILCON) Program for the Department of Defense Dependents Schools.

DoDDS has 268 schools which serve approximately 146,000 DoD students overseas and which require the services of over 8,000 educators. These schools were established in 20 different foreign countries during the past 35 years.

Admittedly, the facilities of many of these schools, which were established in temporary or converted structures, are deficient and totally inadequate to provide for a quality educational environment for DoD dependent students.

With the support of this Committee, DoDDS is annually upgrading or replacing the worst of these substandard and overcrowded school facilities as rapidly as practicable. DoDDS is also providing timely and adequate new school facilities to support new troop missions.

This DoDDS request for $132,500,000 will provide for the construction of 38 projects for 11 new schools and 27 major additions to existing schools overseas. The request includes $1,770,000 for two projects, each of which will cost less than $1,000,000. The requested projects are planned for sites in 9 countries: Belgium, Germany, Iceland, Italy, Japan, Korea, Netherlands, Republic of Philippines and the United Kingdom.

The North Central Association of Colleges and Schools (NCA) is the Accrediting Agent for DoDDS schools. Evaluation teams of the NCA visit the DoD schools and prepare written reports on how well the schools meet the NCA standards for accreditation. This school construction request includes 23 projects to correct substandard, overcrowded, or deficient conditions which the NCA determined to be limitations to an acceptable DoDDS quality educational program.

This construction request will also provide equipped kitchens and dining areas in 25 school projects in order to provide adequate student meal service for 16,860 students who presently have no such service.

Your support of these badly needed school construction projects will result in the provision of accredited, adequate school facilities which will be utilized annually by 27,610 children of DoD military personnel overseas.

I thank you for the opportunity of appearing before this Committee. This concludes my statement. I would be pleased to answer any questions or arrange for the insertion of answers in the record.

STATEMENT
OF
CHARLES E. FORSYTHE
BUDGET OFFICER
DEFENSE INVESTIGATIVE SERVICE
JOINT HEARING OF THE SUBCOMMITTEES ON MILITARY CONSTRUCTION OF THE SENATE APPROPRIATION AND SENATE ARMED SERVICES COMMITTEES
March 20, 1984

Chairmen and members of the Committees. I am Charles E. Forsythe, Budget Officer of the Defense Investigative Service (DIS). I appreciate the opportunity to appear before you and discuss the authorization and financing of the $220 thousand for the DIS "million dollar or less" project at the Personnel Investigations Center, Fort Holabird, Maryland. The Personnel Investigations Center houses 483 personnel involved in the opening, closing and controlling of personnel security investigations.

The work to be accomplished by the project is to construct one pre-engineered unheated metal storage building with loading dock and additional employee parking. The current old wooden facility is a quarter mile away from the Personnel Investigation Center. Holabird Industrial Park construction has changed the access to the storage facility, requiring incoming trucks to unload at the Personnel Investigation Center and the supplies to be moved in smaller lots to the current storage facility. In addition, with the development of the Holabird Industrial Park and additional personnel, parking has become overcrowed.

Chairmen, this concludes my prepared statement. I will be happy to attempt to answer any questions you may have.

Statement of Colonel William A. Scott
Acting Director, Training and Education

Office of the Deputy Assistant Secretary of Defense (Military Personnel and Force Management)

Mr. Chairman, I am Colonel William A. Scott, Acting Director, Training and Education in the Office of the Deputy Assistant Secretary of Defense (Military Personnel and Force Management).

The Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35, dated August 13, 1981) authorized the Secretary of Defense to fund for the operation and maintenance of the 18 Section 6 Schools located on military installations in the United States and Puerto Rico. This is the same authority previously exercised by the Secretary of Education. In addition, the DoD Appropriations Act for Fiscal Years 1983 and 1984 provides the authority to the Secretary of Defense to make arrangements or provide for school construction, leasing, renovating, remodeling, and rehabilitating of these structures. We welcome that.

Over the past years, adequate funds were not programmed for maintenance or construction of Section 6 School facilities. Consequently, we are now faced with aging, patched together facilities, often with several separate school buildings on the same installation. The facilities are inadequate for today's student population, curriculum approaches, and health and safety aspects.

Fiscal year 1985 is the first year that the Department of Defense has submitted a military construction program for Section 6 Schools located on military installations in the United States. Twelve projects are being submitted this year costing $53.4 million. Two projects involve the renovation of eleven school buildings, two projects involve additions to existing elementary schools, and eight projects involve constructing new facilities.

These projects are located at the following military installations:

Maxwell Air Force Base, Ala.
Fort Benning, Ga.
Fort Campbell, Ky.
Fort Knox, Ky.
Fort Bragg, N.C.
Fort Jackson, S.C.
West Point, N.Y.

The total school enrollment in Section 6 Schools for the 1983-84 school year is approximately 33,000 students.

Thank you, Mr. Chairman, for your support and for giving me this opportunity to be a part of these hearings. I will be pleased to answer any questions the Committee may have.

STATEMENT OF
COLONEL FREDERICK S. HOLMES, JR, U.S. ARMY
OFFICE OF THE UNDER SECRETARY OF DEFENSE FOR RESEARCH AND ENGINEERING
BEFORE THE
SUBCOMMITTEES ON MILITARY CONSTRUCTION
OF THE
COMMITEE ON APPROPRIATIONS
AND
COMMITTEE ON ARMED SERVICES
UNITED STATES SENATE
98TH CONGRESS, SECOND SESSION
MARCH 20, 1984

HIGH ENERGY LASER SYSTEMS TEST FACILITY

The High Energy Laser Systems Test Facility (HELSTF) was established at the direction of Congress to provide a national test range for testing of high energy laser systems and subsystems. The principal facility has been constructed, and the first high energy laser for the facility is presently being installed. A second high energy laser is presently in fabrication and will be installed in the near future.

The program originally planned for the first test program (A Navy program for tactical weapon application) was terminated by congressional action on the fiscal year 1984 budget request. The function of the test facility, as defined by the authorization conferees on the fiscal year 1984 budget request, is now to provide a National Tri-Service Laser Test Range with the principal purpose of performing laser vulnerability, lethality, and laser testing for all elements of the Departmert of Defense.

Military Construction funds for this facility have been traditionally appropriated in Title IV, Defense Agencies. The fiscal year 1985 request is for the purpose of constructing three additional elements of the facility, 1) a large vacuum chamber to simulate the effects of very high altitudes, 2) a staging and storage area to provide facilities generally needed for test articles arriving at and departing the site, and 3) a fire substation and modest emergency medical treatment facility. The vacuum chamber project will be designed and constructed under one contract and is expected to begin in the fall of 1984 and be completed in July, 1986. Construction of the other two facilities is expected to begin in early 1985 and completed in the spring of 1986. The estimated cost of the military construction project is $9 million.

THE VACUUM CHAMBER

In order to properly assess the potential of laser weapons against objects in space, it is vital to develop the experimental data base under conditions of environment, beam, and targets which are as close as possible to the conditions projected for actual use. The complexities of laser beam-target interaction, damage, and target response to damage are great, and predictions based on theoretical extrapolation from experimental conditions which are far from actual conditions are difficult and uncertain. In the area of thermal kill, past efforts to extrapolate data have been very difficult. Our understanding of the basic scientific and engineering processes is embryonic, and we have repeatedly been surprised as unanticipated reactions have emerged when new regions of the parameter space were examined in actual experiments. A vacuum chamber suitable for conducting the necessary experiments is an essential element of President Reagan's Strategic Defense Initiative.

The vacuum test cell will provide a test site that allows full scale effects testing on large items of space hardware subjected to high energy laser radiation in a space environment. The chamber will be constructed of stainless steel and is expected to be configured as a horizontal cylinder, exceeding 30 feet in diameter and 50 feet in length. The chamber will be designed to allow the entrance of very large and heavy test hardware. The design will provide equipment to simulate the effects of the sun and the extreme cold of space on the test specimen. Temperature extremes will be simultaneously simulated and specimens will be subjected to varying degrees of surface temperature to simulate different angles of exposure to the sun or mass of the item in space.

Instrumentation and controls will be designed to allow remote control of the chamber, solar simulation equipment, and supporting systems, and also to provide for constant monitoring of the condition of the chamber, the test specimen, and the conduct of the laser irradiation test. The chamber instrumentation and controls will be integrated into those of the existing test center.

The vacuum chamber project includes a 15,000 square foot building to house the chamber and its supporting electronic and mechanical equipment. The building will be a single story structure with a very large high bay area required for chamber operations. Vibration isolation of the chamber will be provided. The chamber bay will be environmentally controlled and constructed to maintain a clean test area with "clean room" air wash facilities at the entrances to the area. The facility will be sited and designed to allow its use with the existing lasers installed at the site and those planned for the future.

THE STAGING AND STORAGE FACILITY

The second facility requested is an 8,000 square foot building, with environmentally controlled work area and office space, for staging and storage of high energy laser equipment that requires assembly and subsequent storage of assembled components prior to their installation. Exterior areas which are paved, fenced, and lighted will be provided for the assembly and storage of large components.

THE FIRE SUBSTATION

The third facility requested, a fire substation, will provide twenty-four hour on-site protection to the range. A 4000 square foot building is requested to provide 1) maintenance areas and indoor parking for the facility fire truck, ambulance, and safety equipment, 2) dining and living areas for on-duty fire fighters, 3) a small medical facility, 4) maintenance and storage space for the personnel protective suits, and 5) administrative areas. The construction of this facility will provide the ability to rapidly respond to any emergency that might arise at the range. This facility is particularly important because of the distance of the range from other facilities, and the hazardous nature of some of the chemicals being used for laser fuels, oxidizers, and other purposes.

STATEMENT OF

BRIGADIER GENERAL DONALD W. GOODMAN, USAF

ASSISTANT DEPUTY DIRECTOR FOR ATTACHES AND OPERATIONS

DEFENSE INTELLIGENCE AGENCY

BEFORE THE

MILITARY CONSTRUCTION SUBCOMMITTEES

FOR THE

SENATE ARMED SERVICES COMMITTEE

UNITED STATES SENATE

20 MARCH 1984

Mr. Chairmen and Members of the Committees:

I. INTRODUCTION

I am pleased to have this opportunity to appear before your Committees to discuss the Defense Intelligence Agency's (DIA) Military Family Housing Program for Fiscal Year 1985 to support the housing requirements of the Defense Attache System.

II ORGANIZATION

One of the missions of the Defense Intelligence Agency is the direction, operation and support, including housing support, for the Defense Attache System. The missions of the Defense Attache System are to:
(1) Observe and report military and politico-military information,
(2) Represent the Department of Defense and the Military Services,
(3) Administer Military Assistance Programs and Foreign Military Sales as directed, and (4) Advise the United States Ambassador on military and politico-military matters. This is accomplished through Defense Attache Offices that are organic parts of the U.S. diplomatic missions. This FY 85 budget encompasses housing support for a Defense Attache System of 102 individual Defense Attache Offices.

III. FISCAL YEAR 1985 REQUEST

The DIA Fiscal Year 1985 Family Housing Budget Request totals $11,571,000 versus the $9,657,000 authorized by FY 84, or an increase of $1,914,000.

$756,000 of the increase is in the Operation and Maintenance element of the program which provides quarters furnishings, equipment (to include generators in the drought ridden African countries), maintenance, repair, and transportation. Included in this requested increase are furnishings for an additional 22 units.

$1,158,000 of the increase is in the leasing element of our program to support 19 additional government leased units, offset inflation and to provide full year costing of existing leases.

18 of the additional government leased units are requested to support the planned opening of three new Defense Attache Offices in the African and Carribean geographic areas and personnel augmentations at nine existing Defense Attache Offices in support of our intelligence objectives. Four leased units are requested to convert private leases at existing Defense Attache Offices where the present private lease arrangement is creating financial or personal hardships for military members plus adversely affecting our mission. We are cancelling three leases because accompanied military members are being replaced by unaccompanied members.

IV SUMMARY

Maximum use is made of government-owned housing, when available. In those instances when government-owned quarters are not available, private leasing arrangements supported by housing allowances are utilized unless this arrangement creates an undue hardship for the military members. If private leasing will cause undue hardship, the housing requirement must be met by government leasing until such time as government-owned quarters are acquired.

The only realistic, viable alternative to the high cost of either private or government leasing of quarters overseas is the purchase/construction of additional quarters. Congress and OMB transferred the programming and budgeting responsibility for the purchase/construction of additional Defense Attache System quarters from DoD to Department of State beginning in FY 81. The 1985 State Department Budget contains $4.7 million as the first year of a 4 year program for quarters acquisition for the Defense Attache System. As these quarters become available, our leasing requirement will be reduced.

I respectfully request the Committees to support the above described program designed to strengthen the Defense Attache System's mission capabilities, in accord with guidance issued by the Director of Central Intelligence to improve and to enhance human intelligence capabilities.

Statement of

Richard D. Lawrence

Lieutenant General, USA

President, National Defense University

Before The

Subcommittees on Military Construction

Senate Appropriations Committee

and the

Senate Armed Services Committee

March 20, 1984

Mr. Chairman and Members of the Committee:

I am pleased to have the opportunity to appear before the Committee to discuss the National Defense University's Fiscal Year 1985 Military Construction Program at Fort Lesley J. McNair, Military District of Washington, D.C.

The request for Fiscal Year 1985 is for $5.022M in appropriations. This amount will fund the transfer of 10.5 acres of land being excessed by the General Services Administration. This additional land, abutting Fort McNair, is required to provide space necessary to support the needed expansion of the National Defense University (NDU).

Since 1977 the University has presented four proposals for construction and siting on Fort McNair, proper. These have not succeeded because of the following combination of factors: The National Capital Planning Commission disapproval, lack of adequate space on Fort McNair, and exhorbitant construction costs. Since that date the National Capital Planning Commission has approved acquisition of the land; adequate space has become available adjacent to Fort McNair and a plan has been developed which will establish costs within efficient guidelines on the proposed siting.

A new NDU Headquarters/Library Building of approximately 167,000 square feet is planned to be constructed on this land, and a project request for the building, estimated at approximately $20.2M, is included in the Fiscal Year 1986 MCA program.

1. Mission Responsibilities

The National Defense University provides the nation's highest levels of joint professional military education to officers of the Armed Forces in the rank of Lt Colonel/Commander, Colonel/Captain and their civilian equivalents in federal departments and agencies. Operating directly under the guidance and direction of the Joint Chiefs of Staff, the institution is charged with providing education from a joint perspective - the interface and cooperation between the Services and all elements of the Federal government to achieve national security goals.

Through the curricula offered by the University's three colleges, the National War College, Industrial College of the Armed Forces and Armed Forces Staff College; this education focuses on the essential elements of national security, and on the management of defense resources. Upon course completion, graduates are identified for senior policy, command and staff positions which involve them in planning and implementing national security. Many move on to general and flag officer positions at the highest levels of national defense.

The University mission is twofold - in addition to its educational commitment it is charged with a critical research responsibility in direct support of the National Security Establishment. The research which NDU conducts is product oriented rather than academic in nature and focuses on current national security issues. Three major research centers, intensive student study programs, and research fellowships produce papers, analyses, studies and proposals that delve deeply into National Security Issues in response to direct requests from the Secretary of Defense, Joint Chiefs of Staff and departments of the Federal government.

Critical, time-sensitive issues relating to geographical areas of world tension and employment options are addressed as are longer term subjects such as strategic lines of communication and mobilization priorities. Much of this research represents studies specifically chartered by elements of the Federal government. In 1983, for instance, a National War College Strategic Studies paper was commended by The White House for providing a total blueprint for a National Security Decision Directive on counter-terrorism policy and organization.

2. Historical Background

In the last two and a half years the University has assumed a number of critical responsibilities which have swelled its mission responsibilities.

In August 1981 the Armed Forces Staff College (AFSC) at Norfolk, Virginia became the University's third college. AFSC had been tasked with preparing mid career officers for joint and combined staff duty since 1947 and that move placed all joint professional military education under the University.

Beginning in 1981, three major research centers were established at NDU at the direction of the Secretary of Defense to provide the capability of developing studies and analyses of specific issues. In December, 1981 the Strategic Concepts Development Center (SCDC) was chartered to do studies on war fighting at the theater level and in the employment of joint and combined forces.

In April, 1982 the Mobilization Concepts Development Center (MCDC) was established to provide analyses and studies on a wide range of mobilization and associated topics. Both the SCDC and MCDC were chartered to provide studies in response to direct requests from the Secretary of Defense, Chairman JCS and the Joint Chiefs of Staff. Supporting both Centers and the University's educational mission through conceptual war gaming and analysis was the War Gaming and Simulation Center (WGSC) established in May, 1982.

In September, 1982, at the direction of the Secretary of Defense, the Department of Defense Computer Institute became a major element of NDU. The Institute brought with it the mission of providing instruction in Information Resources Management and automated Information Systems to senior military and civilian executives in the Department of Defense.

Later, in the fall of that year, the Institute of Higher Defense Studies was established to address the continuing educational requirements of general and flag officers. A series of pilot courses dubbed "Capstone" were developed and presented by the institute; representing the first general officer specialized education in joint matters provided within the Department of Defense.

The advent of these organizations and the scope of their responsibilities, in concert with a greatly strengthened curriculum at both senior colleges, represented an extensive expansion in the mission of the University; and a major drain on existing resources. While the Armed Forces Staff College and the Department of Defense Computer Institute retained their physical plants, the University was forced to manage and support those missions with existing facilities.

In the case of the three major research centers and the Institute of Higher Defense Studies however, missions were assumed without an attendant increase in available facilities. In fact, the sizeable number of personnel involved in these four organizations was generally accommodated in buildings where educational programs were already severely crowded.

The establishment of the Institute of Higher Defense Studies, the SCDC and MCDC in the National War College and Industrial College of the Armed Forces buildings (and the move of the WGSC this summer to the National War College esplanade) have been totally accomplished at the expense of existing student seminar/support spaces, exacerbating an already overcrowded situation.

Further compounding this problem is the fact that since 1975, the student bodies of both the Industrial College of the Armed Forces and the National War College have increased by approximately 10 percent. Full time students currently number 210 at the Industrial College of the Armed Forces and 160 at the National War College. There are, additionally, as many as 9 military Research Fellows working towards diplomas in any given year.

Additional responsibilities compound this problem. The University is charged with hosting two major symposia each year at its Fort McNair campus - the Pacific Symposium and NATO Symposium. Both of these meetings are internationally recognized conferences which explore critical national security issues associated with their respective geographical areas. They are attended by diplomats, senior governmental officials and officers of many nations - yet there is no space available within the University to conduct and support these conferences; that activity must be conducted at the expense of student lecture facilities and auditoria.

The extreme growth represented by these organizations and their missions has created an intolerable space problem. That situation is one in which the University has been given a number of new missions to include the new and critical research mission involving direct responsibilities to the National Security Establishment; and in accommodating these new missions, the facilities and physical space available for the ongoing educational program have been severely compressed, seriously affecting the quality of the nation's highest level of defense education.

3. Current Situation

The men and women who attend the University represent the military services, the State Department, the Department of Justice, AID and other federal agencies. If their careers proceed as have those of their predecessors, many of them will one day occupy senior positions of critical responsibility in government. Yet, given the current space restrictions at NDU, there is a total mismatch between the space available for their education and that of comparable executives in commerce and industry.

The National Defense University is in great need of expanded facilities which have been strongly documented in our request for a Headquarters/Library Building which will house the National Defense University Library, Computer Training area, administration, support facilities and cafeteria. Presently, all of the University functions are accomplished in 243,570 square feet of the existing permanent building at Fort McNair, except for the Department of Defense Computer Institute, remotely located at the U.S. Navy Yard, the Printing Plant, Library Storage, and part of the University's Research Directorate, located in leased spaces at the GSA annex to the U.S. Navy

Yard. The current significant separation among these operations severely hampers the cohesive efficient operations of the NDU staff.

4. Dicussion

The seminar rooms and student body areas at the Fort McNair Campus are presently very overcrowded making efficient teaching and the overall learning experience very difficult. The establishment of the National Defense University and the creation of the Centers has resulted in approximately 25 percent loss of space in the Industrial College Building (Eisenhower Hall). This last statistic is seen in better perspective when it is established that there has been is a loss of 48 "educational rooms," i.e., student body rooms, faculty offices, and class rooms.

At the National War College 17 students are forced to share a functional study room and at the Industrial College of the Armed Forces, 10 students per room with an overall average of 14 sq ft (4' x 3.5') of study space per student. The National War College has maintained twelve 14-man seminars by crowding the students into 10 study or committee rooms--the only place they have to study, do their work and put down their books, etc. The Industrial College of the Armed Forces has twelve 17-man seminars. Library facilities for study purposes are sorely inadequate by any standards. To illustrate this shortfall, we have made a columnar comparison of the Senior Service Colleges below:

	Student Body	Seating Available	Square Footage	Book Stacks (Linear Ft)	Size of Collection
Army War College	235	260	38,688	38,646	500,000
NDU (3 Locations)	380	88	23,267	22,240	240,000
Naval War College	388	172	62,000	37,800	460,000
Air War College*	236	611	70,000	45,643	1,720,000

*Air War College is supported under the umbrella of the Air University and has a student throughput of 1, 768 students per annum at the Maxwell Air Force Base, Alabama, campus.

The size of the collection at the National Defense University is projected to increase to 500,000 volumes by the year 1990, to include the repository for several major collections on national defense and for personal papers of a number of our revered senior leaders.

A critical shortage of office space exists throughout the University. This situation impacts most severely on the University's ability to educate its students. It also precludes adequately accommodating the number of qualified Research Associates (Fellows) who contribute to an important element of the University's educational program. Limited space impacts negatively on both support personnel and students and affects their efficiency and productivity. This situation results from the fact that three new research centers and the Institute of Higher Defense Studies have acquired 20,000 sq ft taken directly from the existing student rooms at the Fort McNair campus.

As a final comment on the University's severe shortage of space and facilities, the National Defense University's senior executive development program pales by comparison when we examine some of the executive programs at General Motors, IBM, General Foods and Xerox. Though the programs vary at these institutions, senior executives are offered a completely expense paid educational program. At our most prestigious civilian universities, they have upwards of a 2-year program, with full accommodations, for example, Harvard's MBA and executive programs. Each of these institutions also has their own multi-functional management training center which offer senior executives various courses to prepare them for higher levels of decision making. These centers are amply endowed with a full range of the most modern educational facilities. We at the National Defense University do not have the resources to offer our senior level Federal executives a completely comparable program. However, we are seeking the opportunity to construct a facility which will offer similar, albeit modest advantages.

5. Conclusion

I would like to express my appreciation for this opportunity to appear before you to present the National Defense University's Fiscal Year 1985 Military Construction request at Fort McNair. This request is consistent with the President's objective for economy, national security, management efficiency, and excellence in professional military education for our Services' men and women. I strongly urge your support for our appropriations and authorization request and would like to emphasize how essential it is that you support our land acquisition and construction program at Fort McNair for the National Defense University.

STATEMENT OF
MAJOR GENERAL B. F. REGISTER, JR., USA
DEPUTY DIRECTOR
DEFENSE LOGISTICS AGENCY
BEFORE THE
MILITARY CONSTRUCTION SUBCOMMITTEES
FOR THE
SENATE ARMED SERVICES COMMITTEE
AND
SENATE APPROPRIATIONS COMMITTEE
UNITED STATES SENATE
20 MARCH 1984

Mr. Chairman and members of the Committee, I am pleased to appear today in support of the Agency's fiscal year 1985 Military Construction and Family Housing Programs.

We are requesting approval of eight major construction projects and three specified minor construction projects in the military construction program at a total cost of $71,600,000. This program includes a wide range of projects that mirror the Agency's varied missions in supporting the readiness of the Military Services. We are also requesting a family housing program of $462,000.

Attached to my statement are descriptions of the individual projects with reference to where they can be found in the justification book. Rather than go through each of the projects, with your permission, I would like to put our request in perspective by providing a short overview of the DLA operation. I believe that we make as great a contribution to readiness as any component of the Defense Department.

We manage over 54% of the items stocked in the DoD supply system and we fill about 73% of the requisitions. Our Supply System Effectiveness of 91%, that is the percent of the time we can fill a requisition, is the highest in DoD. Almost 99% of the time we are able to get high priority requisitions out of our depots within the goals prescribed by DoD - again the best in DoD. We have also managed to significantly improve the accuracy of our inventory records. Over 99% of the time, when we go to get an item off the shelf, it is there. Again, the best in DoD.

That performance insures that we are doing our bit to improve the readiness of the Armed Forces. However, we are not satisfied. We have put emphasis on a program under which the Military Services identify the items critical to weapons systems. We are giving special effort to the management of those items. To date over 500 weapons systems, involving approximately 500,000 different parts, have been identified by the Services. During FY 1983 our supply effectiveness for those items was 91.6%.

In recent years, there has been some criticism of our performance because of the DoD decision to transfer some consumable items to DLA management. The facts I've mentioned provide an indication as to whether that criticism is justified.

We make mistakes. We handle 30 million requisitions per year. However, the people that count - the Operating Forces - give us nothing but good marks. VADM Grinstead and I have had an opportunity to talk to most of the Services' field commanders - the ones most concerned with readiness. They like what we are doing. The complaints are not coming from the Operating Forces.

We have also developed another initiative to assist our customers. We are providing them with terminals, so that they can have complete and instantaneous access to our data. To date, over 160 terminals have been installed. At any time, a "tied-in" field commander can check on the status of a requisition; can see if we have the item before he submits a requisition (so that he can look for another option) or get any other information that we have.

Of course, as spare parts managers, we are heavily involved in the renewed emphasis on competitive procurement. During FY 1983, over 80% of the dollar amount we placed on contract, was under some form of competitive procurement. While our statistics are heavily influenced by fuel, in spare parts alone we were almost 65%. This compares to a DoD average for spares of less than 30%. However, we can and will do much better.

Although not as directly related to readiness, we play other important roles in the management of DoD. We administer 320,000 contracts in some 20,000 plants. We pay nearly 3,500,000 invoices a year, totaling more than $52 billion. We also do that well. We obtain over 99% of the discounts called for under the contracts we pay. These discounts are mostly on behalf of the military departments. Last year we only incurred $250,000 in interest penalties, under the Prompt Payment Act, for late payment of bills. This is an extraordinary performance, considering the amount we paid.

We also operate the Federal Catalog System; maintain, store and facilitate the re-use of Government-owned industrial plant equipment; and manage the reutilization and disposal of surplus personal property and the disposition of hazardous material and spill residue.

Mr. Chairman, if I have presented a glowing picture of our performance, it is because I believe we are doing very well. Not that we can't do better. Our O&M budget request includes funds to help us do better - particularly by improving our ADP systems. We deal in large volumes and are extremely dependent on our ADP equipment and systems. We are also dependent on adequate facilities.

We also do the job very efficiently. Our workload is increasing at the rate of approximately 5% a year. But our personnel strengths are not going up as fast. Our FY 1985 estimated strength of 48,661 is well below our peak of 61,456 and, for example, is only 6.0% higher than FY 1982 despite a 15% increase in workload since that time. With the support of this Committee and approval of the investment funds in our FY 1985 budget we'll do even better in the future.

Mr. Chairman, I've gone through that summary, because many people (including some in DoD) do not recognize the role we play in supporting the forces and the magnitude of the business we run. Like any business we must have a reasonable level of investment, if we are to improve our efficiency, and maintain our responsiveness in the face of our ever growing workload. Our FY 1985 Military Construction request is less than 5% of our operating budget. I believe our record demonstrates that this investment will be returned to the taxpayers in improved efficiency and improved responsiveness.

Mr. Chairman, I appreciate the opportunity to tell you about our contributions to readiness and our efforts at running an efficient business. I will be happy to answer any questions you and the Committee may have.

1985 MILITARY CONSTRUCTION PROGRAM

Our responsibility as DoD world-wide manager for wholesale bulk Petroleum, Oil and Lubricants (POL) is reflected by the inclusion of $49 million for POL facilities - storage tanks, a fuel pier and fire protection systems.

$4.6 million of our fiscal year 1985 request is to support the Defense Property Disposal Activities managed by DLA. Of this amount, $3.4 million represents requirements for construction of facilities for disposal of hazardous and toxic materials to comply with federal statutory regulatory requirements.

A major objective of this Agency as reflected in our budget is the continuation of plans to modernize our depots. Through the years, DLA has not kept abreast of advances in automation and mechanized warehousing technology resulting in our ownership of relatively inefficient warehouses and storage operations. Our fiscal year 1985 budget reinforces our efforts to remedy this situation. We plan to install in our major depots systems modeled after the Navy's Integrated Storage, Tracking and Retrieval System or NISTARS. The first building will be constructed at our depot in Mechanicsburg, Pennsylvania, which will be our primary point of distribution for support of U. S. Forces in the event of an outbreak of hostilities in Europe. The new facility will greatly enhance our ability to provide more efficient and effective support. Our total budget request for this project is $45 million, which includes $18 million for MILCON and $27 million for Procurement to finance the mechanized materials handling systems equipment for the automated complex. We believe an automated facility of this type is essential to adequate response of wartime needs of the Military Services. Our plans include using a similar approach to modernize the defense depot in Tracy, California, beginning in FY 1986.

The first project in the book is for the Defense Fuel Support Point, Adak, Alaska, (Page 2) and provides for additional fuel storage capacity to satisfy prepositioned war reserve material requirements in support of commander-in-chief pacific fleet operations. The next project (Page 5) is for the Defense Property Disposal Office, Fort Wainwright, Fairbanks, Alaska, and provides new and improved covered storage and facilities required for storage of hazardous materials and processing of hazardous waste.

The second fuel project (Page 8) is for the Defense Fuel Support Point, Whittier, Alaska, and provides prepositioned war reserve of JP-4 jet fuel to support Air Force bases in Alaska. The next project (Page 11) is for the Defense Property Disposal Office, Pearl Harbor Naval Shipyard, Hawaii, and provides facilities for conforming storage of hazardous materials and processing of hazardous waste in compliance with environmental standards under Subtitle C of the Resource Conservation and Recovery Act.

The fourth project (Page 14) is for the Defense Fuel Support Point at Cincinnati, Ohio and provides a new fuel pier, a vapor recovery system at the truck racks and fire protection. Fuel loading and unloading operations are presently in violation of the clean air act. The fifth project (Page 17) is depot modernization project located at our defense depot in Mechanicsburg, Pennsylvania. The project provides a new warehouse and modifications of four existing warehouses to accommodate a new computerized, mechanized material handling, storage and retrieval system. We plan to use the same high-rise warehouse design as the Navy has used for its mechanized warehouse in San Diego. The next project (Page 120) is for the Defense Fuel Support Point, Roosevelt Roads, San Juan, Puerto Rico, and provides additional jet fuel storage capacity in support of the Navy.

The last major project for the Agency (Page 123) is located at the Defense Fuel Support Point, Pohang, Republic of Korea, and provides 400,000 barrels of liquid fuel storage capacity in six underground tanks for the Petroleum Distribution System, Korea, in support of peacetime and wartime emergency missions.

The specified minor construction program includes three projects at a total cost of $1,875,000.

We are also requesting a family housing program of $425,000 operations and maintenance obligational authority and $37,000 for minor construction alterations. The amounts will continue these programs at the current level.

Senator MATTINGLY. Thank you, Dr. Korb.

First, I would like to have Senator Thurmond's statement entered into the record.

[The prepared statement of Senator Strom Thurmond follows:]

PREPARED STATEMENT BY SENATOR STROM THURMOND, CHAIRMAN, SUBCOMMITTEE ON MILITARY CONSTRUCTION, SENATE COMMITTEE ON ARMED SERVICES

This afternoon we begin our hearings on the fiscal year 1985 Military Construction bill. I am most pleased that we are having joint hearings with the Military Construction Subcommittee of the Senate Appropriations Committee, chaired by Senator Mack Mattingly. These joint hearings will save time both for the Senate and for the witnesses who will have to appear only once on the subject of construction. I want to thank my colleague, Senator Mattingly, for helping to set up these joint hearings; we ought to do this more often when the issues will permit.

I also want to recognize Senator Bingaman, who has been appointed as the ranking Democratic Member on the Armed Services Military Construction Subcommittee. I look forward to working with Senator Bingaman in the coming weeks on military construction issues.

We plan to have four consecutive days of hearings in order to make a record on this bill. We will be in open session to the extent that we can. If classified matters arise, we will hold those issues until the end and go into executive session, if necessary.

Today we have Dr. Larry Korb, Assistant Secretary of Defense for Manpower, Installations and Logistics. Dr. Korb, I understand that you have a prepared statement and that there are also prepared statements from several of the Defense Agencies. These statements will all go in the record and you may cover the key points, Dr. Korb, if you will. We also have two outside witnesses who will testify briefly at the request of the subcommittee. Mr. James Supica, representing the Association of General Contractors, and Ms. Carole M. Rogin, representing the National Association for Child Care Management, will appear after Dr. Korb completes his testimony.

Senator MATTINGLY. I will ask my two colleagues, both from the Armed Services Committee and Military Construction Subcommittee, if they have any opening statements they would like to make at this time.

Senator BINGAMAN. I have no statement.

Senator MATTINGLY. Perhaps Senator Sasser has a statement.

Senator SASSER. Thank you, Mr. Chairman.

I do have an opening statment. I do appreciate your courtesy in calling on me.

Today the administration is presenting the largest military construction budget in the history of the United States of America. It is a 45-percent increase over the amount approved by the Congress and signed into law by the President last October.

Now, to put this in perspective, if the overall defense budget was growing at the rate of the military construction budget, then the Federal deficit would increase by another $72 billion.

We would not be looking at a $200 billion deficit; we would be looking at a $272 billion deficit.

Now, it is clear to this Senator that the increase requested for military construction for fiscal year 1985 is excessive, in a word. We simply cannot continue to escalate our military presence around the world, shouldering the lion's share of the burden while our Allies, those who benefit most by our presence, fail to live up to even a meager increase for their own defense.

I am wondering why our Allies, who live far closer to the Soviet Union than we do, who should feel more threatened than the United States, don't bear a fair share of this burden. After all, when we talk about working on tanks in the mud in Germany, those tanks are there to defend Germans, the French, and the Belgians.

Why aren't they doing more to construct facilities so that we can work on our tanks out of the mud?

Instead of bearing their share of the burden, our Allies have been using their productive capital to build up their industries while the United States has been providing the shield and diverting our productive capital to build weapons of war, we have been losing our competitive edge in world trade year after year after year after year.

So, frankly, I see the military construction budget as a symbol of misplaced priorities. A 45-percent increase, in my judgment, will not pass this Congress, and should not.

So, I hope that we can all work together here today to assure approval of the priority funds which are necessary to national security while trimming the gold-plating and eliminating those projects which have only a marginal defense value.

Mr. Chairman, I have some questions that I would like to propound.

I will now defer to the chairman at this point.

Senator MATTINGLY. Thank you.

That completes all the opening statements.

Since my two colleagues weren't present when we started, I will say there will be a 10-minute limit on the questioning.

Dr. Korb, as you are well aware, the Congress is involved in a continuing debate over the U.S. presence in Central America.

I wish you would please discuss for the subcommittees the position of the Department on this issue with regard to the military construction requirements.

I urge you to provide us with an overview of the need in the entire Caribbean area rather than specific project-by-project discussions which can be handled by the services during their appearance.

In addition, the Subcommittee on Military Construction included report language in the fiscal year 1984 bill concerning a detailed report on facilities in this area. As of yesterday the report has not been received.

As late as yesterday I talked to both Secretary Weinberger in the Department of Defense and Mr. MacFarlane in the National Security Council requesting it and urging a prompt response to this request.

I would ask you to give an estimate on when this report will be made available.

Dr. KORB. The best estimate I have is that it will be done in May. That is the best estimate that I have right now.

Senator MATTINGLY. Last year, Dr. Korb, this subcommittee included report language concerning the NATO infrastructure account. I understand this language has been reviewed by the Department and your response was received just recently by the committee.

The bottom line in that language was concern over the cost of the NATO infrastructure account, meaning when we are going to get our check.

I understand the Department intends to pursue a program by NATO which is called U.S. prefinancing now totaling about $268 million over a 6-year period beginning with fiscal year 1985 or slice 36 in NATO terms.

What amount does the Department expect to recoup during the current fiscal year we are now in?

Dr. **Korb.** I would say we would get $12 million this year. That is our goal.

As you know, we have gotten about half back of what we prefinanced so far and we intend to move in that direction.

I think the real issue regarding the NATO infrastructure fund is to get the fund larger. Senator Sasser mentioned in his statement he wants to get our Allies to do more.

We are pressing to make the whole NATO infrastructure fund larger so that we don't have to do as much. We are hopeful that at the ministerial meeting in the spring that the Allies will agree to a much larger NATO infrastructure fund. We are hoping it can be something around $10 billion for the next 6 years.

Senator **Mattingly.** In fiscal year 1984 you requested $150 million and we ended up giving $50 million in that funding.

How much has been recouped since October 1, the fiscal year we are in?

Dr. **Korb.** $6 million, sir.

Senator **Mattingly.** How much was out?

Dr. **Korb.** We have prefinanced a little less than $600 million. We have recouped about $330 million.

So, we have $264 million that needs to be recouped. We have about $29 million in progress. During fiscal year 1983, which is the last year, we got $12 million.

Senator **Mattingly.** What are the prospects of the NATO members agreeing to your recoupment plan in the next 6 years?

Dr. **Korb.** Again, I would say that certainly they are as good as they have been in the past.

Senator **Mattingly.** That is not too good, then?

Dr. **Korb.** Again, if one takes a look at a particular year and pulls it out, we have recouped well over 50 percent of the amount that has been prefinanced.

I am confident we will have it all recouped by the end of this decade.

[Additional information follows:]

Senator **Mattingly.** You note in your statement that increases in the infrastructure account are expected. Please explain and give us some comparisons as to where we have been and where we are going in this account.

Dr. **Korb.** Fiscal year 1985 represents the first year of a new 6-year NATO infrastructure cycle whose fund ceiling is expected to be significantly higher than the previous period. Funding for the current 5-year 1980–1984 infrastructure program totaled $3.7 billion. NATO discussions now underway to establish a fund ceiling for the 6 years of 1985–1990 are focused on a $6–$10 billion range with the majority of the nations favoring the higher end of the range. Even with anticipated inflation factored into these totals, infrastructure funding will certainly increase. This increase will be beneficial to meeting many U.S. requirements through the end of the decade as much of the planned construction will provide needed support for our reinforcement forces.

Senator MATTINGLY. If last year we had $150 million and we gave you $50 million, now this year you have requested $296.7 million, almost $300 million, what is the need for such an increase?

Dr. KORB. What we are asking for is funding for our share of facilities over there. They properly belong in the NATO infrastructure account. Everybody agrees on those.

[Additional information follows:]

The estimated requirement for fiscal year 1984 was $300 million for our share of the NATO Infrastructure Program. The budget request included only $150 million because of the planned carryover of $50 million of prior year funds. From the time of the budget submission in January 1983 to the committee's report, the dollar cost of the NATO Infrastructure Accounting (IAU) decreased and made available an additional $45 million. The budget request also had to take account of potential $1 billion supplemental fund request under discussion by the nations. During the year, however, the NATO nations agreed on an increase in infrastructure funding of only $475 million which did not require the full budget request. Hence, there was no need to appeal the committee's reduction. The fiscal year 1985 request has been calculated on the basis of expected NATO obligations for previously programmed projects, an allowance for contingencies in the event the dollar/infrastructure accounting unit rate takes an adverse trend, and an estimate for new programming resulting from new year funding which has yet to be determined by the nations.

Dr. KORB. There are so many demands on the infrastructure account that the Supreme Commander over there, General Rogers, cannot meet them all. He has to make the allocation.

After his having made the allocations in the various slices some are so critical, both for the defense of the United States because of our vital interest in Western Europe as well as the alliance, that we would like to go ahead and build them to give us the capability to deal with the military impact that we face there right now.

You know, we are not saying that prefinanced projects will have to be absorbed by the United States. They properly belong to NATO and we will be paid back. But we have so many needs over there now, they cannot be satisfied simultaneously.

Senator MATTINGLY. Do you see any restructuring of NATO or do you see it staying the same?

Dr. KORB. In what sense, sir?

Senator MATTINGLY. I guess you cannot fix strategy, but strategy does have something to do with participation of those nations that are in NATO.

Dr. KORB. I think that question could be properly addressed to General Rogers.

Senator MATTINGLY. He may not show up here today.

In your statement, Dr. Korb, you made reference to the master restationing plan and lack of progress made between the United States and Federal Republic of Germany.

What is the status?

Dr. KORB. Right now we are negotiating with the Germans at the technical level on the proceeds of the land that we vacate being used to offset the construction at our newer sites that would be under the master restationing plan.

Senator MATTINGLY. At what level has this been discussed?

Dr. KORB. This has been discussed as high as the Chief Executive of Germany. We are working on the technical details at the level of the experts.

This has also been raised by the Secretary of Defense to his German counterpart.

Senator Mattingly. What is the prognosis for the plan?

Dr. Korb. It is very difficult for me to speculate on the prognosis. If one looks at this issue, one has to look not only at the contribution to the master restationing plan, but also at increasing the size of the NATO infrastructure program because we need both of them.

The NATO infrastructure program has to get larger as well as the master restationing plan. One has to look at the net.

It would do us very little good if we got a large German contribution to MRP and the infrastructure program didn't grow.

On the subject of infrastructure, I would like to point out that the United States is not the only nation that prefinances. Eighty-five percent of the prefinancing has been done by other NATO countries.

Senator Mattingly. It is my understanding a consulting contract was let on that master restationing plan. Also it came from O&M funds.

Can you tell me what the purpose of that consulting contract was and how much it cost?

Dr. Korb. I would have to provide the details for the record.

Senator Mattingly. When you do that, we would like to know what the purpose was, how much it cost, what was the outcome, what use is being made of it now.

If you can do that expeditiously, we would appreciate it.

Dr. Korb. Yes, sir.

[The information follows:]

MASTER RESTATIONING PLAN

A research contract was awarded in June 1983 at a cost of $95,000. The title of the contract is "Master Restationing Plan—Issues and Options." The purpose of the contract was to have someone take a fresh look at the Master Restationing Plan (MRP) to see if there might be some creative funding alternative that DOD had not identified in its attempt to get a German fund contribution. The most interesting finding by the contractor is that there may be some German industrialists or entrepreneurs that might be interested in U.S. controlled land, and would be willing to purchase it. If sold to such people, funds could be created that could become available to build new facilities. This concept is being explored by U.S. Army, Europe and their German counterpart.

When the final report is received, a copy will be sent to this committee.

Senator Mattingly. Also in your position, you handle manpower as well as installations, I understand?

Dr. Korb. That is correct.

Senator Mattingly. In this regard you have some feeling for the quality of life programs which are taking a sizable portion of the military construction dollar. The request for fiscal year 1985 includes increases particularly in family housing, but throughout the quality of life arena.

Where are we going in this area?

Dr. Korb. That is a two-part question.

First of all, we have to make up essentially for a decade of neglect in that area. What we are trying to do is provide all of our military people with the opportunity for decent housing.

As you know, the Congress last year in sections 801 and 802 allowed us to work with the private sector in the rental guarantee area to get the private sector to do it. Normally we try to rely on the private sector for housing and only when it can't meet our needs do we ask for construction of family housing.

As I mentioned in my summary statement, a good portion of that money just goes for the upkeep of the houses we have already constructed rather than new houses.

Senator MATTINGLY. I will ask some more questions on this later, especially in respect to the budget size.

Senator Sasser?

Senator SASSER. Thank you, Mr. Chairman.

I have, as you know, Dr. Korb, raised a number of questions about what I perceive to be a back door incremental military buildup in Honduras. Now, you have been quoted as saying that perhaps we should look at Honduras as a possible alternative to Guantanamo in Cuba and air facilities in Panama.

Yet in the budget justification it appears we are planning 100 new permanent family housing units at Guantanamo and to increase personnel there by the end of the decade to 4,300.

Likewise in Panama we find the Air Force is planning to spend $25 million over the next 4 years.

In other words, it looks like we are planning to stay in both Guantanamo and Panama. Given that scenario, do you still foresee a permanent U.S. presence in Honduras?

Dr. KORB. Senator, if I were quoted, I was incorrectly quoted. I think the conversation to which you are referring was when I testified before Chairman Dellums, before the House Armed Services Committee, the Military Construction Subcommittee.

I said to him that the fact that the treaty in Panama, for example, says things about how long we can stay there as well as our lease on Guantanamo, that this is a fact we should take into account on any planning we do. That is all I said.

As regards the facilities that we are talking about, in Guantanamo and in Panama, those are necessary for the people who are there now to maintain a decent standard of living.

Senator SASSER. When will our present lease be up in Guantanamo?

Dr. KORB. My understanding, and I don't know this specifically, I think it is a 99-year lease that expires at the end of this century.

Senator SASSER. Likewise Panama, do you recall?

Dr. KORB. I think it is up to the Panamanian Government and us to consult on what will happen at the end of this century.

I would have to supply those specific answers for the record.

[The information follows:]

The Guantanamo Bay lease can not be legally unilaterally terminated by Cuba. It is a lease which both parties must agree to terminate or if the U.S. unilaterally abandons the site it automatically reverts to Cuba. This 1903 agreement requires the U.S. to pay $2,000 in gold coin per year. This amount has been subsequently adjusted to a current rate of $4,085 annually.

The U.S. facilities, in accordance with the current agreement, in Panama must be turned over to the Government of Panama and U.S. force removed prior to 2400, December 31, 1999.

Senator **Sasser**. It is my view that the Department of Defense has been less than candid about our buildup in Honduras and for the most part much of it there has been constructed in secret, in my view.

I saw language last year in the military construction bill, and I think the chairman referred to that a moment ago, if I am not mistaken, requiring a complete Caribbean Basin construction plan to be submitted to the Congress.

It is my understanding now, Dr. Korb, that will be forthcoming this May.

Dr. **Korb**. That is correct, sir.

Senator **Sasser**. Do you know when in May that will be forthcoming?

Dr. **Korb**. I don't have the exact date.

Senator **Sasser**. Let me say to you that I consider this report to be delinquent now. I want to be very candid and state that I will do what I can to hold up any legislation which includes funding for construction in Honduras until this report has been submitted, as required by law.

I think the administration is being very inconsistent in its response to questions that I have raised about what is happening in Honduras.

The Pentagon officials insist that some of the airfields there are only temporary and incidental to the exercises that have been carried out or that will be carried out.

Now, one of these so-called temporary airfields is San Lorenzo and I have seen that and I have walked that strip. The dirt strip is C-130 capable.

Yet the fiscal year 1985 budget request calls for a $2.9 million project to construct a prestock point for the Army at San Lorenzo and it is my understanding that the Army will transmit each of the ammunition, portable bridging, and medical supplies by air.

This seems to imply that the airfield at San Lorenzo will be utilized during the construction and supply of the Army's prestock point.

Now, since construction will not begin on this prestock point until next year, it seems that the San Lorenzo Airfield may be less temporary than has been indicated.

So, let me ask this direct question. During construction and supply of the prestock point at San Lorenzo, will the hard-packed dirt airstrip be utilized there anyway?

Dr. **Korb**. Senator, before I answer that question directly, I think it is important that I correct a number of assertions that you have made in your preamble to the last couple of questions.

I know that the committee and the American people have a great deal of interest in the activities that have occurred in our plan for Honduras. I think it is important to point out that Honduras is a good friend of the United States and is an excellent training area for our forces.

The recently concluded exercise Big Pine II was designed to train U.S. forces in a counterinsurgency role. During the exercises our forces were deployed to improve their readiness by exercising their military wartime mission and to assist the Hondurans in development of their capabilities to in turn defend themselves from external threat.

During the exercise some temporary construction was required to support planned operations. This consisted primarily of engineering troops, both Army and Navy, improving existing airstrips, both dirt and asphalt, erecting wooden huts, constructing tank barriers which were used in the exercise, and secondarily, on their own time performing civic action projects such as building a 20- by 80-foot school building with material supplied by AID.

There have been allegations that the appropriations used to do this work were inappropriate. Temporary facility improvements that are necessary to carry out the objective of an exercise are properly chargeable to the O&M account. This is a longstanding procedure that the Department of Defense uses worldwide.

We have no permanent bases in Honduras, nor do we plan to establish any. We do have an access agreement that allows us to build contingency facilities on Honduran bases for our use during such an operation.

Our contingency construction requirements are all being presented to the Congress through the military construction program. In 1983 we were authorized $13 million for contingency airfield facilities at Palmerola to support tactical aircraft and that work is currently underway.

Senator **Sasser**. Do you maintain Palmerola is not going to be a permanent base?

We are building an 8,000-foot hard surface runway there. You are coming before this committee and asking for funds to build a troop cantonment to house over 100 U.S. personnel there.

You are asking the committee for funding to build an aircraft ordnance storage depot there to store our arms, bombs, rockets, other aircraft ordnance in.

We are building there in conjunction with the Hondurans—I suspect we are financing it and they are building it—a fairly elaborate medical facility.

That has all the earmarks of a permanent installation base.

Dr. **Korb**. I do maintain that this will be a permanent Honduran base to which we have access.

As I mentioned, in 1983 we came before the committee——

Senator **Sasser**. Are we not requesting in this budget request $4.3 million to build a permanent troop housing for U.S. troops there in Palmerola?

Dr. **Korb**. We are requesting $4.3 million for relocatable camp facilities. That is what I was getting to.

As I mentioned, in 1983 we were authorized $13 million for contingency airfield facilities at Palmerola to support tactical aircraft and that work is underway.

[Additional information follows:]

PALMEROLA

We in fact are not building a 8,000 foot runway at Palmerola but are extending, by approximately 2,000 feet, a 6,000 foot runway under construction by the Honduran Government for the Honduran Air Force. There is no construction underway on any permanent U.S. medical facility at Palmerola.

Dr. **Korb**. In 1984, we requested another $8 million in appropriations and although funds were appropriated, we cannot obligate them until an overall construction requirements report on construction in the Central American region is submitted to the committee which is the report we have been speaking about.

We are working on this report and, as I mentioned, we hope to have it in May.

In 1985 we are requesting $8.7 million: $1.5 for munition storage at Palmerola, $4.3 for relocatable camps and $2.9 million for prepositioning of barrier and bridge materials at San Lorenzo.

Since we have not totally defined our outyear requirements—we will have this in the report—I cannot tell you what, if any, will be the future requirements.

Now, in regard to your direct question about the construction of prestock points at San Lorenzo, you asked if this hard-packed dirt strip will be utilized in any way.

The answer is no, the construction and utilization of the prestock point at San Lorenzo is not dependent on the availability of the fixed-wing airstrip.

Units closing in on these pre-positioned materials will arrive by road or helicopters. Much of it, outsized will arrive by sea and be trucked to the storage point.

This prestock point is not an ammunition storage site, but rather a prestock point with some barrier munitions in storage.

Senator SASSER. Will any construction equipment, bulldozers, dirt packers, road graders, be pre-positioned at San Lorenzo at any time in the future?

Dr. KORB. None are currently planned.

Senator SASSER. Are there any now?

Dr. KORB. Not to the best of my knowledge.

Senator SASSER. One final question.

Can you detail the items to be stored in the prestock point there?

Dr. KORB. I will supply that for the record.

Senator SASSER. Can you provide the quantity and cost of each item?

Dr. KORB. Yes.

[The information follows:]

SAN LORENZO STOCK POINT

Prepositioned operational project materiel stocks to support United States Southern Command regional contingency plans will consist of [deleted]. The specific materiel requirements are currently being refined by the using command under contingency plan force package allocations and will soon be submitted to the United States Southern Command for a review and approval. Upon approval, the materiel requirements will be submitted to the Department of the Army for review and procurement actions. Since the materiel requirements are not yet quantified, the costs associated with the materiel aspects are not available. The pre-stockage of operational contingency materiels will release air and sea lift assets to satisfy other mission requirements and this is the basic reason pre-stockage at San Lorenzo has been proposed.

Senator SASSER. My time is up.

Senator MATTINGLY. Senator Bingaman?

Senator BINGAMAN. Thank you, Mr. Chairman.

Let me just ask a few general questions.

This is the first meeting of this subcommittee that I have attended.

First of all, and maybe you covered this in your preliminary statement which I missed, I gather from the newspapers the President has entered into an agreement to reduce the level of the defense request to Congress.

Do you know how much of that comes out of military construction, when we are going to be told what his new request is?

Dr. **Korb**. The President has given the overall numbers and is working with the Senate Republican leadership. They have agreed on authority and outlay numbers for the next 3 years.

I do not know what numbers will be forthcoming or where the reductions or changes will be made in the 1985, 1986, and 1987 programs at this time, nor how they will impact on construction.

The only thing I can say is that whatever changes are made to the defense program must be made in a balanced way.

Senator Sasser in his opening comments talked about the relatively large increase in the size of the construction request.

That is essentially because it has been flat for the last couple of years and now we need to support the weapons systems that have been authorized in the past couple of years.

One may agree or disagree with particular weapon systems that have been endorsed, but the fact of the matter is that these are coming into the force now and construction has to catch up.

So, what we have to do now is take a look and see what changes in our force structure are necessitated by the change in budget levels and make sure we have a balanced program.

We can't have airplanes without runways and hangars or vice versa.

Senator **Bingaman**. Do you have any idea how long it will be before we have a new defense request in the military construction area that we can deal with?

We are sort of working with a moving target here.

Dr. **Korb**. I understand. I cannot give you a specific date. All I can say is that it will be relatively soon.

Senator **Bingaman**. I have a document, Dr. Korb, which I gather was prepared by the Defense Department outlining construction projects in Honduras in particular, and breaking it into the three categories, military construction activities being done through military construction requests, those that are being done through operations and maintenance and those being done through security assistance funding.

I gather that was done by the Defense Department. Is that right?

Dr. **Korb**. I don't know of the document.

Senator **Bingaman**. It doesn't have anything on it except a table of contents and then it goes down into those three categories on the front labeled "Honduras."

At any rate, let me ask the question. How do you decide what to come to the Congress and request military construction funds for as distinguished from those items you decide to do through operations and maintenance or foreign military assistance?

Dr. **Korb**. I think the things are all spelled out in law, the procedures that we are supposed to come up with, and to the best of my knowledge, that is the procedure that we use.

If one is constructing for an exercise, a temporary place for people to live in, quite properly that could be O&M funds.

If it is permanent or over a certain threshold, then it has to come before the Military Construction Committee as have things like the $13 million that we came up with for the airfield facilities at Palmerola back in 1983.

Senator **Bingaman**. Would you say that is set out in the law?

Could you cite me the statute that specifies that and the rule? I am new to this subcommittee and I am not familiar with where that criteria is specified.

Dr. **Korb**. I can provide all of those for the record, but I think it is clearly spelled out as to what the Department can do, what areas, what reprogramming.

For example, if we were to have a short-term construction project that we wanted to reprogram money for, there are thresholds and waiting periods.

[The information follows:]

The general rules and procedures by which the Department carries out military construction are contained in chapter 169 of title 10, United States Code. Specifically, military construction projects over $1M are authorized to be constructed by our annual Military Construction Authorization Acts; projects of less than $1M may be carried out under permanent authority (10 U.S.C. 2805, entitled: "Unspecified minor construction").

Military construction appropriations must be used for military construction projects; however, operation and maintenance funds are available for military construction projects costing less than $200,000. If a project does not meet the definition of a military construction project, i.e., it is part of operations such as training or exercises, then O&M funds are available for that project.

Senator **Bingaman**. So, the amount of money and the purpose for which the money is to be spent are the two criteria?

Dr. **Korb**. That is correct.

Senator **Bingaman**. You indicated, I think in answer to one of Senator Sasser's questions that we were not trying to develop a permanent facility at Palmerola for our use, but rather for the use of the Hondurans and we would have access to it.

Is that accurate?

Dr. **Korb**. That is right. We do not plan to have any permanent bases, but the facilities that are developed there we would hope to have access to if both of our Governments agreed it was in both our national interests.

Senator **Bingaman**. Is it your understanding that you are only required to request military construction funds for the items which we are constructing for our own military?

Dr. **Korb**. Again, I think when you say "for our own military"——

Senator **Bingaman**. Facilities that we are going to use on an ongoing basis.

Dr. **Korb**. No, sir. I think there are facilities we build all around the world for use of U.S. forces to support our capability to project military power that are not used on a daily basis.

For example, we have construction programs in Southwest Asia that are U.S. forces requirements that will be jointly used facilities.

Senator **Bingaman**. Let me ask here on this project data sheet that was submitted as part of this same report on Palmerola. It refers to a company-size unit that is going to be stationed at this Palmerola contingency facility. I think the quote is "A company-size unit with aircraft in support of CINCSOUTHOP Plan 6150."

Could you describe that to us as to what we are supporting with that company-size group?

Dr. KORB. I think if we want to discuss that, we will have to go into closed session.

Senator BINGAMAN. Is it possible to get a response from you on the record which would not be an open response?

Dr. KORB. If you are going to print the classified portion of these hearings, yes; provided all the security measures are taken.

Senator BINGAMAN. Mr. Chairman, I am not trying to change the way you proceed, but I would like to get an answer to that question.

You can probably provide it in a classified briefing or provide it in writing in a classified document.

If he can give me a written response.

Dr. KORB. We will make our best attempt to answer that in an unclassified manner. If our security people tell us we cannot, we will so inform you.

Senator BINGAMAN. That will be helpful.

[The information follows:]

[Deleted.]

Senator BINGAMAN. I gather from this document that there is to be no money of any kind spent at Puerto Castilla for the 1985 fiscal year; is that right?

Dr. KORB. To the best of my knowledge, it is.

Senator BINGAMAN. The regional military training center discussed is being constructed with FMS money, most of which was designed for El Salvador.

Is there any problem with building a facility in Honduras with money designed as FMS funds that the Congress has allocated to El Salvador?

Is that a problem?

I am trying to get whatever are the parameters to this business.

Dr. KORB. If FMS money is dedicated to El Salvador, I don't see how it can be used in Honduras without coming back to the Congress.

[Additional information follows:]

However, in this case, the total was appropriated for the countries. As long as the use is in accordance with the parameters established for FMS funds, as well as policy for the region, the countries can spend the dollars as they wish.

Senator BINGAMAN. The facility I am speaking of is Trujillo which is a regional military training center and unless I am confused about it, it says here "Construction and operations and maintenance, $4.8 million for El Salvador and $0.5 million for Honduras" and it was all spent in Honduras to build a military training facility.

I grant you they are training El Salvadorans along with Hondurans, but I was wondering, if we vote FMS funds for the particular country, are we intending that they use FMS funds in that country?

Dr. KORB. It is properly FMS, and depending on the way it is voted, I think it must be used in the way it is voted.

[Additional information follows:]

Concerning the use of FMS credit and Military Assistance Program (MAP) funds, they are normally spent in the United States, although they can be spent out of the United States, if the situation warrants.

Senator **Bingaman**. How would I find that out?

I have this document which I understand is from the Defense Department, listing Army FMS and indicating that $4.8 million was voted for El Salvador and $0.5 million for Honduras.

Dr. **Korb**. If you take a look at the language, and the total was voted to establish and operate a military training center for Salvadoran and Honduran units. That is the way it was voted.

Therefore, since it was appropriated that way, to the best of my knowledge, it can be used in Honduras.

[Additional information follows:]

In this particular case, the total was appropriated for the countries. As long as the use is in accordance with the parameters established for FMS funds, as well as the policy for the region, the countries can spend the dollars as they wish.

Senator **Bingaman**. If we were to have that facility in Panama, would that be appropriate?

Dr. **Korb**. I don't think so, not the way I read that particular thing.

It was voted to establish and operate a military training center for Salvadoran and Honduran units.

[Additional information follows:]

On further review, I find that the funding used was appropriated to provide security assistance to the countries involved. If they had proposed, and Panama had accepted, the establishment of such a training facility in Panama it would have been appropriate.

Senator **Bingaman**. What is it in that language that would specify it would be built in El Salvador or Honduras?

Dr. **Korb**. I would have to take a look at the language. In other words, if the Congress voted a center to be set up to train people, Salvadoran and Honduran units, theoretically the center could be built in the United States if it was built to train those people unless it was specified it was to be built to train Salvadorans and Hondurans in a particular country.

I think if you check, you will find that that is the way it was voted, to build a center rather than in a specific geographical location.

[Additional information follows:]

On further review, I find that there is no language that specifies exactly how the country will use its FMS credit of MAP funds. Parameters are established for use of FMS funds and as long as the proposed use is in accordance with these parameters and the policy for the region, the country can spend the dollars as it determines necessary.

Senator **Bingaman**. My time is up. So, I will defer to the chairman.

Thank you.

Senator **Mattingly**. Dr. Korb, you remember that the $8 million approved by the Military Construction Subcommittee last year for airfield improvement still remains unspent and will remain that way and available pending the receipt of that report, whether it comes in May or whenever it comes?

Dr. **Korb**. Yes, I am quite aware of the fact.

Senator **Mattingly**. And the administration was directed to produce in detail all the plans for such projects such as airfield facilities, training facilities, radar sites, and so forth.

Our committee will rigorously examine the three projects in fiscal year 1985 which total $8.7 million that has been requested by the Air Force and Army in Honduras.

I think the intent of the language on what was passed in fiscal year 1984 will hold for whatever is in fiscal year 1985 proposed expenditures in that area under military construction, $8.7 million.

I think that this committee will closely examine the total budget request and all items included in that request.

To bring you back to where we first started out here about this $10.4 billion budget that somebody sent up here, I still want to talk about that $2.3 billion increase you are not going to get that you are going to justify between what last year was and what it is this year.

I want to take you back when we were talking about the quality of life programs because the fiscal year 1985 increase, particularly in family housing, you said is considerable.

What are we going to see in that area of the family housing?

What I would like to speak about is in reference to the GLCM site. If I am not mistaken, there is some expenditure of something like $263 million which still seems to me to be a lot of money.

Now, would you please speak to that?

I would like to know what your rationale is as far as what that has to do with the GLCM mission.

Dr. Korb. As you correctly pointed out, Senator, one of the reasons why it is so high compared to the last couple of years is that we have not funded this thing in an orderly manner because it was the hope that we wouldn't have to deploy the missiles.

Now we know we are deploying them. The deployment schedule never changed.

I think what we are talking about here is, is it going to be more cost effective for the Air Force in this case to send its people to man these sites with or without dependents?

Every analysis that we have done, and I am sure the Air Force will provide more details on this when they come up here, has shown that it is more cost effective to do it with accompanied tours. You have people there longer, your retention rates are higher, your training base has to be smaller.

When one factors all of those things in there, we find it is simply cheaper to do it that way.

Senator Mattingly. What is your position in reference to mission and the accompanied tours which I think is really what we are talking about?

Is there going to be a fundamental increase in these expenditures and how can you justify accompanied tours at a GLCM site?

Dr. Korb. The way I justify them is that they can stay longer. The retention rate and morale will be higher. So, we will not have to deal with the costs that go with it when you lose an experienced person, the training investment you have in them, when the reenlistment rate goes down, moving people back and forth more, having a larger training base and less experience.

Essentially that is the way we justify it.

Senator Mattingly. We do have unaccompanied sites?

Dr. Korb. Yes.

Senator Mattingly. Korea also has unaccompanied sites?

Dr. KORB. Yes, it does.

Senator MATTINGLY. The feedback I get is that retention rates are high there and morale is high.

Dr. KORB. The morale and retention rates in Korea are going up primarily because of what this committee and your colleagues in the House have done in the last couple of years to give us more construction money for Korea.

I don't mean to say we should not have any unaccompanied sites, but we do not feel that the GLCM sites, given their location in Europe, are candidates for that.

We try to minimize them to the extent we can because we find out in the long term that unaccompanied tours are more expensive.

Senator MATTINGLY. I have seen in the last couple of weeks there has been a greater effort put forth by the Department of Defense to get this money.

I have inquired of them where would they like to see the budget restrained, but nobody is coming forth with anything other than maintaining what they have.

Maybe we will have to get our scalpels out later, I guess.

Is there also a requirement in the law that these overseas housing units have to be U.S.-manufactured housing now?

Dr. KORB. Yes, there is.

Senator MATTINGLY. The budget request for dependent schools I believe includes $53 million for schools located in the United States; in addition, a sizable increase is requested for school construction programs overseas.

Can you explain to us what a section 6 school is and why are the military construction funds being requested?

Dr. KORB. Senator, the section 6 schools up until very recently were under the aegis of the Department of Education and funds for those schools showed up in their budget.

A couple years ago the Congress transferred the section 6 schools funding to the Department of Defense. It has taken my office and myself up to this time to be able to go in and find out exactly what the schools needed.

Because of that, we have submitted our first large construction request for the section 6 schools in this year's budget. Very frankly, because of the fact that nobody knew where they were going to be, they were neglected for awhile.

They have an awful lot of problems that they need to fix up. You have to keep in mind that section 6 schools were established where it was felt in the judgment of the Secretary of Defense and the Secretary of Education that military personnel were not able to get adequate education in the local community.

We don't encourage the setting up of section 6 schools. We try to turn them back to the community where we can.

You also have to keep in mind the so-called Quantico amendment which makes it very difficult for us to turn those schools back to the community.

Senator MATTINGLY. How long are you going to be in the business?

Dr. KORB. I would say for the foreseeable future because given the Quantico amendment, you have some very difficult conditions for us to send them back.

In fact, given the state of the Impact Aid Act and other things going on in the State and local governments, we have been under tremendous pressure to add more section 6 schools to the roster.

So far we have resisted this, but there has been tremendous pressure for us to go the other way.

Senator MATTINGLY. What is the outlook for the school program? Is it going to be bigger or smaller and when is it going to finish?

Dr. KORB. As long as we have the section 6 schools, we will have to operate and maintain them and do a reasonable amount of construction.

I expect this year's budget to be atypical. In other words, this is the first time we have gone in there to assess the construction requirements and, quite frankly, we found out that they were not in the shape that they needed to be.

We asked for a little over $50 million this year for 1985 and for the rest of the decade we need about another $100 million in construction.

Senator MATTINGLY. In another area I understand there are large expenditures necessary for hospital projects. The Appropriations Committee has been on record in support of incremental funding for major facilities such as hospitals which have a total cost in excess of $100 million.

Yet in most instances we are seeing requests well in excess of $100 million for individual projects, all of which is a request for appropriation in 1 year.

It seems to me that with limited resources, you could better manage your overall program and actually get projects accomplished by only requesting funds needed in any given year on these large projects such as Travis Air Force Base Hospital.

This is not an unusual way to do business, as I understand the Corps of Engineers construct major water projects in the same manner.

Could you comment on that?

Dr. KORB. I agree with you, Senator.

Up until last year, however, we were supposed to fully fund them. The Congress had told us they wanted to see up front the total cost of the facility.

This year we put a few in that category. I would say we are continuing to take a look at it. But I think we have to be candid, that does not save any money.

What it does is appropriate it in different years. It had been the intent of the Congress up to now to get the full cost up front so that they would know what they were getting themselves into.

I see no problem with our moving the other way if this committee and the Congress desire.

Senator MATTINGLY. Getting back to the small $2.3 billion increase, have you begun any program or any search now for prioritizing these projects or looking to see what programs can be deferred without prejudice?

Dr. KORB. Senator, we are always looking at our programs to maintain the priorities.

Obviously, given the agreement that the President has reached with the Republican leaders of the Senate, we are now taking a look at all our programs to ensure a balanced program.

When one sets priorities, if you have a plane, you need a runway, therefore that has a super priority. If you have a plane, you need a hangar.

We are taking a look at that and hopefully we can take a look at the next 3-year period so that for the systems or the changes we make in 1985 we can then make sure we have the infrastructure in 1987 or 1988 to support those decisions.

Primarily this year's budget is to support decisions that have been made in the past. As I say, if you go back and take a look, the construction budget has been flat for the last couple of years while your other budgets, particularly procurement, have been rising dramatically.

This is just to provide that infrastructure. One cannot look on a year-to-year basis and get a true picture of what is going on in any budget category.

Senator MATTINGLY. My time is up, but I guarantee I will return to that question later.

Senator Sasser?

Senator SASSER. Thank you, Mr. Chairman.

Before I forget it, Senator Robert Byrd has asked me, Mr. Chairman, to submit some questions for the record in his behalf.

So, without objection, I will submit those questions and request a response from Dr. Korb.

Senator MATTINGLY. Without objection.

Senator SASSER. I might say also, Dr. Korb, with regard to this housing for accompanied tours, I share with my senior colleague, Senator Stennis, grave reservations about whether this is really in the national interest and whether it is very effective at all to have dependents in a potential combat zone, building housing for dependents around these GLCM sites in Germany, for example.

I wonder what happens in the event of war. Do the troops man the GLCM sites or are they concerned about getting their wives and children out of Germany and protecting them?

That is a question of longstanding duration around here. The more I think about it, the more I find myself coming down on the side of Senator Stennis and others who doubt the wisdom of these accompanied tours in potential combat areas.

Dr. KORB. Senator, may I comment on that?

Senator SASSER. Yes, sir.

Dr. KORB. Obviously, there is a trade-off in any decision that you make.

As you mentioned, this matter has been under long discussion with the Congress, within the executive branch, among civilians and the military in the Pentagon.

It has been concluded that given the fact that accompanied tours can be longer, the morale is high, the retention rates are high, the evidence comes down on the side of accompanied tours.

Senator SASSER. Yes, sir, but if you put them all in a country club environment in Germany, I am sure that the retention rate would be high and the tours would be longer.

The reason they are there is for combat and combat effectiveness.

Dr. KORB. Senator, I take strong exception to your comment about our facilities in Germany being country club.

Senator **Sasser**. I am not saying the facilities in Germany are country club.

What I saying is that if you are looking into having the troops reenlist and look to improve their morale, if you put them in a country club or down on the French Riveria, I am sure everybody would reenlist and morale would be sky high, but your combat effectiveness might suffer considerably and the reason for their being there would cease to exist.

Dr. **Korb**. Again, I think if you go back and take a look at this, the military commanders feel that they can maintain readiness, particularly in Europe, and we also have plans for evacuation which we test to make sure that civilians can be evacuated.

You know, when we talk about putting civilians, for example, in an area of GLCM sites where they would be exposed to danger, remember those GLCM sites are outside cities, for example London, where there are lots of civilians there already.

We are talking about if there is a war in Europe, and please God, there will not be, there will be civilian casualties.

Senator **Sasser**. I am sure that is going to occur to our troops, that their dependents might be some of those casualties.

Dr. **Korb**. That is why we have very well defined and well exercised evacuation plans to get them out of there.

Senator **Sasser**. I will say, and my chairman is looking for places to cut in this budget and I applaud him for it, this might be a good place to start.

Dr. Korb, there are three military construction projects requested for Honduras in the 1985 budget request. Now, one of these projects is $1.5 million for an ammunition storage facility at Palmerola.

Now, when the Department of Defense justified the building of the airfield at Palmerola, the Congress was told, and let me quote from the fact sheet that the Pentagon has circulated as a response to my report to the Senate about military construction in Honduras, and I quote from the DOD response:

"At that time the committee was informed that the ordnance required to support U.S. aircraft would be flown in during any contingency operation."

Now, it appears that you failed to tell the Congress everything that was planned at Palmerola. You were telling us initially you were going to fly in ordnance in the case of contingency operation.

Now you are saying you want to build an ammunition storage facility there. So, it makes me wonder what else has not been told the Congress about our intentions at Palmerola.

When did the Southern Command first request consideration be given to the ordnance storage facility at Palmerola and I would like for you to provide me with a copy of all the paperwork which tracks this project from its inception beginning with the first Southern Command CINC decision to request the project.

Dr. **Korb**. Senator, I don't have in front of me the copy of the statement that was circulated a year or two ago, but you are dealing with a dynamic situation.

At that time, and I am sure when that statement was made, that was the feeling. But the situation has changed dramatically.

Last summer General Gorman, the new commander down there, came in to a body in the Pentagon called the Defense Resources Board and said, "This is what I would like you to consider, these are my needs for the next couple of years," just like the CINC's come in all the time to the Defense Resources Board.

He presented that plan. It is on the basis of that that we included this in our budget pending completion of that long-term report.

So, we are not trying to sneak anything by anybody. The situation does change. People change their minds about lots of things.

Senator **Sasser**. Some of us are wondering what really has changed in that area of the world that would require these permanent ammunition storage facilities.

What is the flying time from the Key West Naval Base to Palmerola?

Dr. **Korb**. Two and a half to three hours.

Senator **Sasser**. What is the steaming time to the closest Honduras port from the United States?

Dr. **Korb**. Two, two and a half days.

Senator **Sasser**. Ordnance warehousing facilities are being expanded in Key West. It is a relatively short distance away, 2½ hours flying time.

Why is it necessary to pre-position ammunition and ordnance in Honduras?

Dr. **Korb**. Again, you are looking at a number of situations.

The assumption is that you have the air and sea lift to do it, but that might be committed to some other part of the world. If you take a look, I think General Gorman's rationale, and he is the operations commander, would be to reduce the initial airlift during a contingency operation.

After all, 3 days or even a couple of hours might be too late by the time it got there.

It is also important to keep in mind only one paved road exists between Palmerola and the closest port in the northwest corner of Honduras, which is approximately 200 kilometers away.

So, you have to take into account all of these things.

We had the commander come in and present to the senior Defense leadership his estimate, and we are presenting it to you and allowing you to make your judgment on this.

Senator **Sasser**. Will U.S. troops provide security for this facility?

Dr. **Korb**. No, sir, not to the best of my knowledge.

Senator **Sasser**. Who is going to provide security for it?

Dr. **Korb**. I assume it will be provided by the Hondurans.

Senator **Sasser**. What about this troop facility for 100 troops that is being built there at Palmerola? These troops will not be used to provide base security and secure the ammunition storage facility?

Dr. **Korb**. No.

Senator **Sasser**. Will you kindly list for the record each item and the quantity of those items that will be stored in this storage facility at Palmerola?

Dr. **Korb**. I certainly will, but basically they are air-to-ground type munitions.

We will be happy to provide that to the committee.

Senator SASSER. Now, at Aguacate, as you know, U.S. engineers extended a 4,300-foot runway to 8,000 feet. I walked that runway from one end to the other with the commander there.

He is very proud of the work on the runway and they were doing terrific work, the combat engineers, and also with the young captain who was commanding the engineering company who was a graduate of Georgia Tech and appears to be an excellent civil engineer, with a master's degree from MIT, and we went over that construction project at some length.

They were proud of the work they were doing there. He indicated to me that that runway would stand with minimum maintenance for years to come. They had diverted a stream there, topped off the side of a hill, put culverts in for the airstrip to drain properly.

My question to you is: Has any request been made by the Government of Honduras to the Southern Command, for this runway at Aguacate to be paved by either our Army engineers or by the Air Force Red Horse team?

Dr. KORB. No, sir.

Senator SASSER. If it was requested, would approval be granted?

Dr. KORB. In my opinion, no, because considering the scope of the work that would be required to accomplish the project, congressional approval would be required.

In other words, we would have to come to the Congress before we could do that. My feeling is that it would be a military construction project and the Department has no plans at this time to accomplish that work.

Senator SASSER. Mr. Chairman, my time is up and I might say that I have a number of additional questions for the record which I submitted to the Department of Defense yesterday for this hearing today.

I was wondering if Dr. Korb has a written response to those questions with him?

Dr. KORB. I have a handwritten response which we stayed up most of the night compiling. I would like to submit it in typed form, if I could.

Senator SASSER. That is fine.

Mr. Chairman, if I might just say this.

I have some other questions which I would like to have written responses to by the end of this next week if at all possible.

Senator MATTINGLY. Let me say that I intend at 3:30 to recess in order to vote on the school prayer amendment.

When we return I understand Senator Thurmond will be here. I believe he should hear the outside witnesses which have been waiting very patiently today. After their testimony, I expect it won't take much longer, possibly about 20 minutes, then we can return to Dr. Korb, if necessary.

I will let Senator Bingaman get his 10 minutes in now.

It appears, however, that most of our questions can be answered and can be submitted for the record unless there is some objection.

Do you have any questions?

Senator WARNER. I was going to give 1 or 2 minutes of my time to Senator Sasser. He has looked into the subject.

Senator **Mattingly**. It is Senator Bingaman's turn right now.

All right if we recess at 3:30 and let Dr. Korb go at that time?

Senator **Warner**. In other words, he won't be back at 3:30?

Senator **Mattingly**. He can come back at 4 o'clock if you have questions for him unless you want to submit questions for the record.

Senator **Warner**. If you will allow me to ask one question and submit the rest.

You know, I have taken a look at this with General Gorman. In my long association with many flag and general officers, I think he rates very, very high.

Based on your review of the construction in Honduras, are you satisfied all projects have been built in accordance with appropriate legislative guidelines?

Dr. **Korb**. I am.

Senator **Warner**. Are you satisfied that funding sources for all projects have been appropriated?

Dr. **Korb**. I am.

Senator **Warner**. Those are my questions, Mr. Chairman.

Senator **Mattingly**. Senator Bingaman?

Senator **Bingaman**. Let me ask a couple of questions that might not be subject to such a quick answer.

You are asking for a substantial amount of money for Belgium for GLCM sites. It is my understanding Belgium has not officially authorized us to put those in.

Am I incorrect in that?

Dr. **Korb**. My understanding is that there is some concern with the Belgians over who will build the housing. That is where we are right now.

Senator **Bingaman**. To my knowledge, they have not authorized the stationing of the GLCM in Belgium as yet.

Dr. **Korb**. To my knowledge, they have, Senator.

Senator **Bingaman**. The same with The Netherlands?

Dr. **Korb**. On The Netherlands I think you would be correct.

Senator **Bingaman**. Are you asking Congress to authorize and appropriate the funds for this before we get authorization from The Netherlands?

Dr. **Korb**. I think in our request we are only talking up to Belgium.

Yes, the Air Force is coming forward with a request this year. Hopefully by the end of fiscal 1985 The Netherlands will give the final go ahead for the project.

Obviously, if they don't let us put the missiles in, we are not going to build any infrastructure.

Senator **Bingaman**. The $86 million that you are requesting there in infrastructure you would expect to drop out if we don't get an authorization or OK from The Netherlands?

Dr. **Korb**. That is correct.

Senator **Bingaman**. When will we be able to know that?

Are you asking us to pass this the way you sent it to us or are you asking us to pass this in a revised version which you are going to submit or what?

Dr. KORB. No, on this we have every confidence The Netherlands has already committed themselves to it. We know from reading the papers there have been some votes in the Parliament to rescind that decision, but our expectation is that they will go along with the commitment they made to Secretary Vance in December 1979.

Senator BINGAMAN. Let me ask, how much construction money are you requesting us to spend on Japan this year?

Dr. KORB. In Japan we have a total of $82.4 million.

Senator BINGAMAN. Is the Japanese Government participating in some respect in the cost of these facilities that we are constructing there?

Dr. KORB. The Japanese Government has been more than forthcoming with us in the facilities area. They have made tremendous contributions over the last couple of years running to several hundred million dollars in this area.

They have provided most of what you might call the quality of life input into our facilities in Japan.

Senator BINGAMAN. Can you be more specific as to what the quality of life input is?

Dr. KORB. I am talking about things like housing, schools.

Senator BINGAMAN. They have constructed those for our facilities?

Dr. KORB. That is correct.

Senator BINGAMAN. Is that normal in the facilities we have in Japan that they would construct them?

Dr. KORB. It has been since, I would say, over the last decade, pretty much since the Nixon administration gave Okinawa back to the Japanese, that has been the rule.

They have the facilities improvement program at all the bases in Japan and their contributions have been quite substantial.

Senator BINGAMAN. On this regional military training facility there in Honduras, am I correct that there is a supplemental request pending here in the Congress now for some 45 million additional dollars to make that a permanent facility?

Dr. KORB. Senator, I don't know the answer to that question. There is a request in 1984 supplemental and in 1985 under FMS to convert the temporary training center into a permanent facility and to complete the planned facilities.

Yes, sir, that is under FMS. That is not under military construction.

Senator BINGAMAN. How much is that?

Dr. KORB. In 1984, I don't know whether, in fact, that has been approved because I don't handle the FMS account, but there is $8 million in the 1985 budget.

Senator BINGAMAN. In 1984?

Dr. KORB. In 1984 there was $14 million.

Senator BINGAMAN. You don't know of any supplemental request in addition to those two?

Dr. KORB. It is in the supplemental in 1984.

Senator BINGAMAN. What is the amount in the supplemental?

Dr. KORB. I assume it is $14 million.

Senator **Mattingly**. That would be under FMS, not this committee.

Dr. **Korb**. To go back to your previous question, if I could, the Japanese have given us over the last 5 years $800 million in what we call the facilities improvement program.

Senator **Bingaman**. Let me go back to my previous question to you.

Senator Sasser was asking if we have any permanent military facilities in Honduras and you said we do not and have no intention of it.

Am I correct that you need to amend that answer?

Dr. **Korb**. These are not ours. These are for Salvadoran and Honduran units. These are not our facilities.

Senator **Bingaman**. This regional training facility is not a U.S. facility as you see it?

Dr. **Korb**. That is right.

Senator **Bingaman**. It is a Honduran and El Salvadoran facility?

Dr. **Korb**. It is a Honduran facility and built with foreign military sales credit and MAP money.

Senator **Bingaman**. Those are all the questions I have, Mr. Chairman.

Senator **Mattingly**. There is quite a distinction between permanent construction and permanent U.S. facility.

On the recent trip I took to Honduras, I would like to reiterate, on the floor of the Senate we had spoken out and we stated at that time that we were shown there was no misuse of either military construction funds or O&M moneys.

Just this past week now the full Appropriations Committee in a report that accompanies House Joint Resolution 492, which is the urgent supplemental appropriation bill providing emergency food assistance to Africa, we said:

"It does not support unprecedented special revisions on operations and maintenance funding when applied narrowly as in the case of Honduras."

We will now stand in recess until the hour of 4 o'clock.

You are dismissed. You may go back and find the justification for the $3.2 billion, also find out places where we can cut it down.

[Recess.]

Senator **Thurmond**. As we have heard from Dr. Korb, the services have a major backlog in child care facilities. With more and more working couples in our society, the need for quality child care has become an important issue. Child care facility construction and operation has become big business in this country.

In line with the administration's policy to turn Government functions over to private enterprise whenever possible, I felt that it might be possible to turn the construction and operation of child care centers on military bases over to the private sector.

Ms. Rogin is the executive director of the National Association for Child Care Management and I have asked her to tell us briefly what would be necessary to entice the private child care industry to move into the military market.

Ms. Rogin, please proceed.

If you want to put your entire statement in the record and summarize it or if it is short, just present it.

STATEMENT OF MS. CAROLE M. ROGIN, EXECUTIVE DIRECTOR, NATIONAL ASSOCIATION FOR CHILD CARE MANAGEMENT

Ms. ROGIN. It is fairly short. Let me review it for you.

As you stated, I am the executive director of the National Association for Child Care Management [NACCM].

On behalf of NACCM's members, the private, for-profit child care companies in the United States, I thank you for the opportunity to talk with you today about our industry and our capability to serve the child care needs of the young families in the military service of our country.

By way of introduction, let me describe the membership of our organization to you. NACCM represents approximately 300 child care companies throughout the United States. These private companies own, lease, operate, and manage over 2,000 licensed child care centers serving over 188,000 young working families.

Our members range in size from single center, sole proprietorships to large, multiunit companies that operate several hundred, in one case over 800 child care centers nationwide.

The five largest child care companies are publicly held entities or subsidiaries of larger corporations. These companies have been increasing by 15 to 25 percent annually their number of corporately operated child care centers over the past few years.

Growth of this magnitude requires managerial expertise in the selection and development of building sites, coordination of construction and, importantly, professional delivery of licensed, quality, center-based child care.

Additionally, the occupancy rates, that is, the number of enrolled children relative to the licensed maximum capacity of the centers, have been increasing over this same period.

These two factors would appear to support the view that parents, whose tuition fees support the growth of our companies, are pleased with the level and the quality of service to their children, whose care is entrusted to our member companies.

I would stress this is the primary business of our members, the provision of quality services in a safe, healthy, and stimulating environment.

Our members offer an array of these services including full-day and partial-day care for infants and pre-school age children, before- and after-school programs for school-age children, and summer camping experiences for children of all ages.

In expanding their services and their scope, as well as their size, the private child care companies have developed expertise that they can offer, on a contractual basis, to the child care requirements of military families.

For your consideration, I can provide some industry average specifications.

While the companies have the current capability to build and operate centers of virtually any size with any licensed capacity for 50 children to 200 children, let me reference an average center size of 100 children.

We are looking at a one-story structure of approximately 4,980 square feet. These centers are typically wood frame structures with a brick veneer, in the northeastern portion of the country, all masonry construction.

Since all centers comply with applicable State licensing requirements, square footage per child allocations vary. However, these specifications allocate approximately 35 square feet of indoor space and 75 square feet of outdoor space per child.

Based on these specifications, industry estimates for site improvements including building construction costs, appliances, landscaping, and playground equipment range from $36 to $60 per square foot.

Equipment and materials costs range from $25,000 to $50,000 per center including furniture, educational materials, toys, supplies and, at the upper end of the range, vehicles.

Clearly, the child care companies have the capability to develop and manage quality facilities in diverse geographical areas within very specific parameters. If there is an opportunity for them to initiate discussions with the U.S. armed services that would lead to the utilization of private sector expertise in the management of military child care facilities, they would be most receptive.

Let me offer to the members of these subcommittees an invitation to tour any of our NACCM member companies' centers, either here in the Washington, DC, metropolitan area or in any one of the 50 States.

Additionally, the association would be pleased to provide on request any additional, detailed data as available, regarding the development and operations of our member centers.

The private child care companies that are represented by NACCM are the leaders in a vibrant growth industry, fueled by economic and social changes in our country.

The private child care companies that are represented by NACCM are the leaders in a vibrant growth industry, fueled by economic and social changes in our country.

Their growth is based solely on the increasing selection by young parents of licensed, center-based child care in which they have confidence and on which they can depend to provide a safe and stimulating environment for their children.

If the companies may be of potential service to the young families in our military service, they would be most interested in further discussion.

On behalf of NACCM and its membership, I thank you for the opportunity to speak before you today and I welcome any questions about the private child care industry.

Senator THURMOND. Ms. Rogin, I want to thank you for your statement.

I take it from your statement that there is sufficient interest in the private child care sector to investigate further the possibility of private firms providing child care for military families.

In your view, what incentives would the military have to offer to entice private industry onto a military base?

Would they need a long-term, 5- or 10-year contract? Would they need a guaranteed occupancy rate?

Ms. ROGIN. Certainly there is substantial interest on the part of the companies in looking at potential possibilities.

I think in terms of incentive for them, clearly they are going to be looking at the locations at which the military would be looking.

The demographics of any location are extremely important. It would seem that if the demographics are desirable in an area in which the military wants to build, that it would be an opportunity for individual companies to participate on a different basis than if the demographics were not there to support their operation.

I think that an opportunity to participate in any needs assessment that would be done relative to the development of a child care center on a military installation would be an incentive.

I think that an ability to structure any lease arrangement based on the factors that are identified in the demographics as well as a needs assessment would be an incentive for them.

Finally, I think that the ability of the company to participate in an architectural review manner or in some similar manner would be an additional incentive to the company in any arrangement of this sort.

Senator THURMOND. Ms. Rogin, do all States have licensing requirements for child care facilities?

Would you discuss the licensing process briefly?

Ms. ROGIN. With the exception of one State, all States have licensing reqirements for child care centers. The centers are defined as "institutions that care for children on more than a 6-hour basis," which distinguishes them from nursery schools or pre-schools.

In virtually every State the licensing requirements are run through the department of health or the department of social services.

In virtually every State the licensing requirements apply to the physical plant, that is, allocation of a minimum number of square feet per child regulation, food regulations, kitchen requirements, fire requirements, as well as health and safety requirements relative to inoculations for the children, handling of food and the ratio of adults to children for given activities.

Senator THURMOND. We are concerned, of course, with the cost to our military families for child care. I don't imagine you are familiar with the military rate structure for child care.

Would you be willing to look at the military rate structure and get back to the committee on what it would take to make private industry competitive?

Ms. ROGIN. I am not familiar with the military rate structure, but we would be more than willing to review that.

I can tell you that the rates for center based child care in this country average $35 to $45 per week, depending on the location in the country.

It would seem to me that the opportunity to make private industry competitive might be included in any contractual process that might be initiated.

I think the companies have a tremendous potential for innovative strategies and I would encourage the Armed Forces to tap that creativity.

Senator THURMOND. Now, the military could furnish the necessary land possibly for a child care center and perhaps they could furnish utilities, as they do now for their own child care services.

Ms. ROGIN. Those are certainly possibilities. I think that that type of arrangement can be worked into a total lease agreement and might be structured differently at different bases to meet the needs of the families and the military in that particular situation.

Senator THURMOND. I want to thank you very much for your appearance here. We appreciate it.

Ms. ROGIN. Thank you, Mr. Chairman.

Senator THURMOND. In January of this year, the Associated Genof the highway division, Associated General Contractors.

Mr. SUPICA. Yes, sir, I am.

Senator THURMOND. In Janaury of this year, the Associated General Contractors [AGC] printed an article in the Constructor magazine that had some rather surprising statistics on the Defense Department's practices with regard to construction contracting.

A copy of that article will go in the record at this point.

By letter, I asked both the Defense Department and the Small Business Administration to comment on the article by March 1, 1984, so that we could get their views on the article. Neither DOD nor SBA has responded.

[The article "The Cost and Impact of Small Business Set-Aside Programs in the Construction Industry," and a copy of the letter to Department of Defense and the Small Business Administration follow:]

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC, February 3, 1984.

Hon. CASPAR WEINBERGER,
Secretary, Department of Defense,
Washington, DC.

DEAR MR. SECRETARY: The attached article is taken from the January 1984 issue of CONSTRUCTOR magazine. The article implies that current Defense Department rules with regard to small business set-asides in construction contracting are counterproductive and cost the taxpayer significant dollars.

I would invite you to examine this article and to provide me with a report on your findings by March 1, 1984, so that this matter may be considered in conjunction with hearings on the Fiscal Year 1985 Military Construction Authorization Bill. I would welcome any suggestions that you may have with regard to alternative contracting procedures that would maximize competition and still afford small and minority contractors some guarantees with regard to the availability of government construction contracts.

Thank you in advance for your efforts.

Sincerely,

STROM THURMOND,
Chairman, Subcommittee on Military Construction.

Attachment.

THE COST AND IMPACT OF SMALL BUSINESS SET-ASIDE PROGRAMS IN THE CONSTRUCTION INDUSTRY

THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA

EXECUTIVE SUMMARY

The construction industry can quite properly be referred to as one of the true bastions of the free enterprise system and consequently the haven of small business.

Two characteristics of the construction industry need particular emphasis.

First, the subcontracting system offers small business firms a training ground in which to develop the skills necessary to become a successful contractor.

Open competitive bidding is the second major characteristic which adds to the ease of entry into the industry. Virtually all public works construction, whether it be on the federal, state or local level, is procured through open competitive bidding. *All* competitors submit a sealed bid by a stated deadline. *All* bidders bid on the same specifications and *all* are expected to meet the same standards of quality. Open competitive bidding ensures that the construction purchaser will receive the highest quality product for the lowest possible price. It also ensures that the *only* factor which will be considered in selecting between qualified contractors is the price offered.

The award of Federal construction contracts through open unrestricted competition to the lowest responsible bidder has always been and continues to be the most effective way to obtain economical bids and afford maximum safeguards in the expenditures of public funds. However, it now appears that open unrestricted competition on Federal construction is rapidly becoming a thing of the past because the Small Business set-aside program and the Small Business 8(a) program have acted to undermine the open competitive bid system by limiting those who are permitted to compete.

Small Business Set-Aside Program in Construction—Unworkable

Section 15 of the Small Business Act has resulted in the use of the small business set aside program in which federal agencies remove contracts from the open competitive market and restrict bidding and award of these contracts to only those firms defined to be small businesses by the Small Business Administration.

Section 15 has been interpreted by federal contract awarding agencies to mean that fully 100 percent of federal construction contracts should be removed from open competition and awarded on a restricted set-aside basis to small businesses. The Defense Acquisition Regulations (DAR), for example, require that *all* construction contracts up to $2 million in value be automatically set aside for restricted bidding and award. It also requires that *all* other construction contracts should be set aside if the Contracting Officer expects that two responsible small businesses will bid on a contract and also expects that the award will be made at a "reasonable price." Given the broad language of the regulation and despite the fierce competition in the construction market, a contracting officer can literally decide that *all* construction contracts must be set-aside for restricted bidding and award to small businesses.

Overzealous and non-selective implementation of the small business set-aside program by the Small Business Administration and Federal Contracting Awarding Agencies has resulted in extremely large quantities of construction contracts being routinely set aside for restricted bidding and award. Statistics issued by the Federal Procurement Data System reveal that a shocking 60 percent of all federal construction contract actions in FY '81 and FY '82 were unavailable for open, unrestricted competition due to SBA's Set Aside and 8(a) Programs.

Within the Department of Defense 63 percent of all construction contracts were unavailable and within the Naval Facilities Engineering Command, a staggering 77 percent of its construction contracts in FY '81 and 75 percent in FY '82 were unavailable for open competition because of these programs.

The overzealous and non-selective use of the set-aside program has also resulted in extremely large construction contracts, many requiring specialized skills and equipment, being set-aside for restricted bidding and award and thus unavailable for open free competition. Examples of $10 million projects being set aside are commonplace and some projects in the $15–$20 million range are set aside.

The set-aside program has a dramatic impact on "medium sized" contractors whose volume puts them over the eligibility standard for "small business" classification. The set aside program, because of its exclusionary practices, restricts "medium sized" firms from bidding on many contracts that are of a size to meet their business strategy objectives.

The program also adversely impacts firms that are eligible for set aside contracts by forcing them to alter their business strategy to comply with the program. As a contracting firm approaches the size standard limit, it is faced with the dilemma of making the choice of 1) limiting the company's growth in order to continue to qualify to bid on the overwhelming majority of federal construction contracts in its geographic area or 2) exceeding the size standard and thus eliminating itself from the opportunity to secure federal construction contracts.

Another dramatic adverse effect of the set-aside program is its cost to the government and the taxpaying public. There is no question but that when competition is restricted it results in increasing costs, and the set-aside program is no exception. A 1976 Report of Consultants to the Army Corps of Engineers on small business set-asides (dredging) found the following: " . . . the low bids received under unrestricted advertisements were 9 percent lower than those received under set asides . . ." When projected to the total value of construction contracts set aside government-wide in FY 1982, $3.0 billion, the "penalty cost" for restricted bidding and award under the construction set-aside program was over $270 million.

The cost and impact of small business set-asides in the construction industry is particularly wasteful since small business set asides are simply not needed in construction.

CONSTRUCTOR/January 1984

In 1963 the Administrator of the Small Business Administration directed that a study be instituted to look at the construction industry to detail its characteristics. The findings of that study are as valid today as they were in 1963:

- There can be no question but that the application of any measures of competitiveness to the building and construction industry would result in the conclusion that it should be ranked among the least concentrated or most competitive. It is not dominated by a few large firms.
- The above features of the construction industry suggest that the construction industry is already relatively highly competitive among sectors, and that the need for using the influence of federal contracts to increase competitiveness deserves a low priority in construction.

The above facts lead inescapably to the conclusion that the characteristics of the construction industry already assure ample opportunity for qualified contracting firms of all sizes to obtain a share of federal construction outlays.

SBA 8(a) Program—A Dismal Failure

Another Small Business Administration program which is contributing to the demise of the open competitive bid system and inflating costs is the SBA 8(a) program. Under the 8(a) program, the SBA and a federal contract awarding agency agree to remove a contract from the open unrestricted competitive bid system and sole-source negotiate the contract with a "socially and economically disadvantaged small business firm" as defined by the Small Business Administration.

Between 1968 and 1983, the SBA has utilized the 8(a) contracting program to channel some $10.2 billion in federal procurement contracts to 4,977 participating "socially and economically disadvantaged" firms.

The SBA 8(a) program, designed around a "protected market" for selected disadvantaged firms, has proven to be a dismal failure. According to data contained in a 1981 GAO Report (CED-81-55), only a miniscule 4 percent or 166 of the 4,598 MBE firms participating in the 8(a) program between 1968 and 1980 graduated. An earlier GAO Report on firms that did graduate found that only 33 showed a positive net worth.

The failure of this program in the construction industry is assured and justified for three primary reasons: first, the 8(a) program does not achieve its stated purpose in construction because it is not compatible with the very nature of the industry; second, the extremely high cost it engenders to the government and the taxpaying public; and third, because it impacts harshly on non-8(a) construction firms.

Survival in the construction industry requires that one must learn to be competitive: one must learn to submit the lowest responsible bid. Yet, the 8(a) program, the stated purpose of which is to "promote the competitive viability of socially and economically disadvantaged firms," never requires the firms to be competitive, never requires the firms to bid. One has to wonder how a firm can learn to be competitive, without ever having to compete. Giving a contract to a firm in the 8(a) program and negotiating the price for the work, does not help that firm become a competitive business. In fact, it removes the 8(a) contractor from that portion of the process in which competitive skills are developed.

Once a competitive contract is won, a contractor must use his technical skills. These skills cannot develop through the 8(a) program because SBA allows an 8(a) construction firm to subcontract up to 85 percent of the work. Retaining only 15 percent of the construction contract would generally result in the 8(a) firm serving only as a conduit to pass along payments to the subcontractor or subcontractors.

Whenever competition is limited, or eliminated as in the case of the 8(a) program, higher costs usually result. This is generally difficult to document, however, because once a federal construction project has been removed from the open unrestricted competitive market for delivery to the 8(a) program, there is no opportunity for open competitive bids for comparison purposes. Several examples are available, however, wherein 8(a) contracts were initially negotiated but subsequently released to open competition, thus allowing valid cost comparisons.

		Savings Through Open Competitive Bidding
Highway relocation, Elephant Butte, Idaho (Federal Highway Admin.)	The 8(a) negotiated price was $3,024,000: the low competitive bid was $2,355,000	$669,000 or 22%
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Flood wall project, Delta, Louisiana. (Army Corps of Engineers)	The 8(a) price was $416,000: the low bid was $188,950.	$227,050 or 55%
Water Supply project, Riverton, Wyoming (Bureau of Reclamation)	The 8(a) price was $580,000: the low bid was $353,812.	$226,133 or 39%

These examples are indicative of the cost of the 8(a) program in construction. The waste of money to the taxpaying public is staggering.

Ways to Eliminate Waste of Tax Dollars

Open, unrestricted competition in federal construction procurement has served the nation's taxpayers well. Taxpayers have the right to be assured that their tax monies are being spent in the most efficient and economic manner possible. Open unrestricted competition in federal construction procurement has always given that assurance.

The SBA set-aside and SBA 8(a) programs are changing all that. Through over-zealous advocacy and misguided implementation, these programs have for too long eliminated open unrestricted competition in federal construction procurement.

In order to restore open unrestricted competition to federal construction procurement and reduce federal construction costs to the government and the taxpaying public, the small business set-aside program and the small business 8(a) program must:

- Be legislatively eliminated from application in the construction industry.

At a minimum, the problems engendered by these special preference programs can be reduced by the following actions:

SMALL BUSINESS SET-ASIDE PROGRAM

- Revision of Federal Contract Awarding Agency regulation requirements for small business set-asides.
- An overall reduction in all agency's "goals" for utilization of the small business set-aside program.
- Placing a maximum limit of no more than $2 million on the size of a construction contract which can be set-aside.

SMALL BUSINESS 8(a) PROGRAM

- Limiting the number of 8(a) contracts in construction.
- Placing a maximum limit of no more than $2 million on the size of a construction contract which can be used in the 8(a) program.

BACKGROUND

Small Businesses are the backbone of the American economic system. Historically, small business has provided much of the growth in jobs and innovation, as well as being the primary supplier of services and deliveries of goods to virtually every community, large and small, in the country.

Nowhere is this more true than in the construction industry. The industry is typified by family-owned businesses that work close to home, jealously guarding their integrity and reputation in the community, in an extremely competitive and open industry. Construction is not dominated by a few firms, rather it is dominated by the open competitive bid system. That is, competition in terms of price and ability to complete the task determines which companies win contracts. Depending on the nature of the construction project, the general contractor may complete the work entirely with his own forces, or may subcontract the speciality work as may be required for a complete job.

The industry is also one of but a few that permit an individual to make a start with little or no capital. An emerging construction firm generally uses credit to buy materials and arranges for short term loans to pay for equipment rental and labor costs. This ease of entry into the industry, while safeguarding and assuring competition in the industry, is also one of the chief reasons for the high rate of failure in the industry.

The entire system adds up to an industry that is remarkably open to entrepreneurs willing to parlay expertise, capital and hard work into a successful business.

Two characteristics of the construction industry need particular emphasis.

First, the subcontracting system offers entrepreneurs a training ground in which to develop the skills necessary to become a successful contractor. It also allows the general contractor to delve into new markets within the industry by subcontracting for those specialized aspects of a job for which the contractor may not have the needed in-house expertise.

Open competitive bidding is the second major characteristic which adds to the ease of entry into the industry. Virtually all public works construction, whether it be on the federal, state or local level, is procured through open competitive bidding. This is also true in the private sector where most construction contracts are awarded to the lowest bidder. In construction *all* competitors submit a sealed bid by a stated deadline. *All* bidders bid on the same specifications and all are expected to meet the same standards of quality. In this way, open competitive bidding ensures that the construction purchaser will receive the highest quality product for the lowest possible price. It also ensures that the *only* factor which will be considered in selecting between qualified contractors is the price offered. This is true not only for the general contractor but also for the subcontractors who are selected in the same manner.

The construction industry, consequently, can quite properly be referred to as one of the true bastions of the free enterprise system and therefore the haven of small business. The industry, however, has been under a concerted, non-stop attack for years which severely threatens the open competitive bid system. The Federal Government has long preferred the use of formal advertising and *open competition* in the award of public contracts. As far back in our history as 1809, Congress required that "all purchases and contracts for suppliers or services . . . shall be made either by open purchases or by previously advertising for proposals." (2 Stat 536). The award of Federal construction contracts through open unrestricted competition to the lowest responsible bidder has always been, and continues to be, the most effective way to obtain economical bids and afford maximum safeguards in the expenditures of public funds. However, it now appears that open unrestricted competition on Federal construction is rapidly becoming a thing of the past.

The attacks, oddly enough, have come from the primary beneficiaries of the industry's competitiveness—the Small Business Administration and Federal Contract Awarding Agencies—and have come in the form of competition restricting set-asides. Since 1958 when the Small Business Act became law, the federal government has been directed "to aid, counsel, assist and protect . . . the interests of small business concerns in order to preserve free business enterprise." The primary emphasis in the Act is that "The essence of the American economic system is free competition . . . the preservation and expansion of such competition is basic not only to the economic well-being but to the security of this Nation."

The Small Business Administration and federal procuring agencies are charged with implementing programs to achieve this goal. Two of these programs—the Small Business set-aside program and the Small Business 8(a) program—have, however, acted to undermine the open, competitive bid system and "free business enterprise" rather than aid it by limiting those who are permitted to compete. This study looks at the way these programs are imposed and analyzes their adverse impacts and costs on the construction industry and the tax-paying public.

SMALL BUSINESS SET ASIDES

Section 15 of the Small Business Act empowers the Small Business Administration and federal contract awarding agencies to take procurement actions determined "to be in the interest of assuring that a fair proportion of the total purchases and contracts for property and services for the government are placed with small business concerns." This language has resulted in the development and use of the small business set-aside program in which federal agencies remove contracts from the open competitive market and restrict bidding and award of these contracts to only those firms defined to be small businesses by the Small Business Administration.

One would assume that Section 15's use would be limited to actions necessary to assure that a fair proportion of contracts are awarded to small businesses. Such, however, is not the case. Instead, Section 15 has been interpreted by federal contract awarding agencies to mean that fully 100 percent of federal construction contracts should be removed from open competition and awarded on a restricted set-aside basis to small businesses.

The Defense Acquisition Regulations (DAR), for example, require that all construction contracts up to $2 million in value be automatically set-aside for restricted bidding and award. It also requires that *all* other construction contracts should be set-aside if the Contracting Officer expects that two responsible small businesses will bid on a contract and also expects that the award will be made at a "reasonable price." This broad language and subjective terminology leaves contracting officers with very little discretion in making the choice to restrict competition. There are no guidelines as to what represents a "reasonable price." There is also no requirement that the contracting officer look at the requirements of the project to see if it is even within the capabilities of a small business. He only need guess that any two small business firms may be willing to bid on the project.

In today's market, it is not unusual for 25 or more contractors to bid on available contracts, and not unusual for even the highest of the 25 bids to be below the government's estimate. Given the broad language of the regulation and despite the fierce competition in the construction market, a contracting officer can literally decide that *all* construction contracts must be set-aside for restricted bidding and award to small businesses.

Clearly, this exceeds the actions necessary to implement Section 15. Clearly, as well, this portends the demise of open competition for federal construction contracts.

Small Business Size Standards

The Small Business Administration is responsible for determining which firms are eligible to participate for these restricted set-aside contracts by establishing size standards defining what is and what is not a small business. This determination is at best an arbitrary decision.

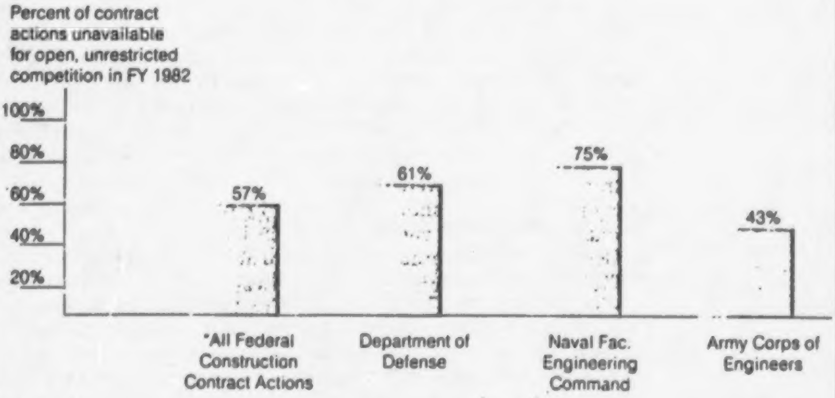
To get a clear picture of just how arbitrary the size standard process can be, one need only look at the various size proposals SBA has made over the past three years.

- Since 1975, to qualify as a small business general construction firm, a company's three year average annual volume must not have exceeded $12 million.
- In 1980, obviously because its arbitrary size standard was unfair and unworkable, SBA proposed a size standard based on the number of employees. The "corrective" proposal reflected a gross lack of understanding of the construction industry. The proposal would have permitted and encouraged "broker" operations by allowing large volume firms which subcontract an abnormal amount of work and do virtually no work with their own forces to qualify for the set-aside program, while genuine contractors

that were also genuinely small business firms would have been excluded by SBA's misguided efforts to help them.

- In 1982, SBA tried again and proposed raising the existing volume standard on an "emergency basis" from $12 million to $15 million. That proposal did not get by the scrutiny of the Office of Management and Budget.
- Two months later, presumably knowing that its arbitrary size standards were not working, SBA tried another approach which again reflected abominable ignorance of the industry it was regulating. SBA proposed a multitude of different size standards based on different construction categories. One of the many results of this inept proposal was that the same construction firm would have been eligible for SBA largesse while engaged in one type of construction, but ineligible in another type of construction despite the fact of being essentially a small business by any reasonable yardstick.
- Undeterred by the continued failure of its size standard proposals, the most recent SBA proposal seeks to raise the volume standard to $21.5 million. That proposal is again deficient because it fails to recognize that the only small business development program that is necessary in the construction industry is open, free, and unfettered competition.

Perhaps this indecision is better understood by reference to a 1978 GAO study entitled "What is A Small Business? The Small Business Administration Needs to Reexamine Its Answer." (CED-78-149). The GAO study quotes a former SBA Acting Assistant Administrator as


The Effect of Small Business Set-Aside and 8(a) Programs on Competition in Construction

*(contracts, change orders, amendments, additions)

- 60% OF ALL FEDERAL CONSTRUCTION CONTRACT ACTIONS (CONTRACTS, CHANGE ORDERS, AMENDMENTS, ADDITIONS) WERE UNAVAILABLE FOR OPEN, UNRESTRICTED COMPETITION IN FY 1981 DUE TO SBA'S SET-ASIDE AND 8(a) PROGRAMS.
- 57% OF ALL FEDERAL CONSTRUCTION CONTRACT ACTIONS WERE UNAVAILABLE FOR OPEN, UNRESTRICTED COMPETITION IN FY 1982.
- 62% OF FEDERAL CONSTRUCTION CONTRACT ACTIONS WITHIN THE DEPARTMENT OF DEFENSE WERE UNAVAILABLE FOR OPEN, UNRESTRICTED COMPETITION IN FY 1981, AND 61% WERE UNAVAILABLE IN FY 1982.
- 77% OF FEDERAL CONSTRUCTION CONTRACT ACTIONS WITHIN THE NAVAL FACILITIES ENGINEERING COMMAND WERE UNAVAILABLE FOR OPEN, UNRESTRICTED COMPETITION IN FY 1981.
- 75% OF FEDERAL CONSTRUCTION CONTRACT ACTIONS WITHIN THE NAVAL FACILITIES ENGINEERING COMMAND WERE UNAVAILABLE FOR OPEN, UNRESTRICTED COMPETITION IN FY 1982.
- 43% OF FEDERAL CONSTRUCTION CONTRACT ACTIONS WITHIN THE ARMY CORPS OF ENGINEERS WERE UNAVAILABLE FOR OPEN, UNRESTRICTED COMPETITION IN BOTH FY 1981 AND FY 1982.

saying, "What is wrong with the present size standards? First of all, the economic basis upon which they were developed is hazy at best. Because the procedures used to establish them are unclear, their validity and accuracy in many cases is subject to question . . . the original standards that serve as the basis for the current ones are in many cases questionable in terms of their appropriateness and justification."

It is clear that SBA has no idea of what constitutes a small business in the construction industry, and yet the arbitrary decision which they reach in setting a size standard has a devastating impact on those firms which are excluded from competing for federal construction contracts.

Impact on Competition

Overzealous and non-selective implementation of the small business set-aside program by the Small Business Administration and Federal Contracting Awarding Agencies has resulted in extremely large quantities of construction contracts being routinely set aside for restricted bidding and award. Statistics issued by the Federal Procurement Data System reveal that a shocking 60 percent of *all* federal construction contract actions in FY '81 and FY '82 were unavailable for open, unrestricted competition due to SBA's Set-Aside and 8(a) Programs. Within the Department of Defense 63 percent of all construction contracts were unavailable and within the Naval Facilities Engineering Command, a staggering 77 percent of its construction contracts in FY '81 and 75 percent in FY '82 were unavailable for open competition because of these programs.

As shocking as these national figures are, they do not portray what can and does happen on a regional basis. In many sections of the country the construction market is largely dominated by the presence of the federal government. For example, many areas along the Mississippi River and around the Great Lakes rely almost exclusively on federal government activity to generate construction markets. This is also true in areas where there are military installations and government owned research facilities. In these areas the federal government is literally the only construction market and its actions have a significant impact on local contractors.

In some of these regions the use of the set aside program has resulted in 90 percent or more of federal construction contracts being unavailable for open unrestricted competition.

The overzealous and non-selective use of the set-aside program has also resulted in extremely large construction contracts, many requiring specialized skills and equipment, being set-aside for restricted bidding and award and thus unavailable for open free competition. Examples of $10 million projects being set aside is commonplace and some projects in the $15–$20 million range are set aside.

For example, in November 1983 the General Services Administration set aside for restricted bidding and award to small businesses the Denver Mint renovation and expansion project which had an estimated value range of $10 to $20 million. Additionally, the specifications for this project required strong experience on projects of a similar nature and a strong financial position.

The set-aside program also has a dramatic impact on "medium sized" contractors whose volume puts them over the eligibility standard for "small business" classification. In selecting projects to bid, contractors must select those that are within their capabilities at the time, consistent with obligations on other on-going work. This means that the size and type of project to be bid will change according to many different variables. The set-aside program, however, because of its exclusionary practices, restricts "medium sized" firms from bidding on many contracts that are of a size to meet their business strategy objectives.

The program also adversely impacts firms that are eligible for set-aside contracts by forcing them to alter their business strategy to comply with the program. As a contracting firm approaches the size standard limit, it is faced with the dilemma of making the choice of: 1) limiting the company's growth in order to continue to qualify to bid on the overwhelming majority of federal construction contracts in its geographic area or 2) exceeding the size standard and thus eliminating itself from the opportunity to secure federal construction contracts.

Clearly, under these circumstances, the set-aside program is self-defeating in that it prevents the growth of small business firms and free enterprise opportunities.

Cost of the Set-Aside Program

The most dramatic adverse effect of the set-aside program is its cost to the government and the taxpaying public. There is no question but that when competition is restricted it results in increased costs, and the set-aside program is no exception. A 1976 Report of Consultants to the Army Corps of Engineers on small business set-asides (dredging) found the following "... the low bids received under unrestricted advertisements were 9 percent lower than those received under set-asides. ..."

When projected to the total value of construction contracts set-aside government-wide in FY 1982, $3.0 billion, the "penalty cost" for

ARBITRARY SIZE STANDARDS

To get a clear picture of just how arbitrary the size standard process can be, one need only look at the various size proposals SBA has made over the past three years:

- Since 1975, to qualify as a small business general construction firm, a company's three year average annual volume must not have exceeded $12 million.
- In 1980, SBA proposed a size standard based on the number of employees.
- In 1982, SBA proposed raising the existing volume standard on an "emergency basis" from $12 million to $15 million.
- Soon after, SBA proposed a multitude of different size standards based on different construction categories.
- A current proposal now seeks to raise the volume standard to $21.5 million.

restricted bidding and award under the construction set-aside program was over $270 million.

The incurring of such "penalty costs" raises serious questions as to the violation of the SBA's and Federal Contracting Awarding Agencies' fiduciary responsibility to assure that public monies are spent in the most efficient and economical manner possible.

Not only is there a direct cost impact from restricted competition, the administrative costs are equally significant. A recent Congressional Budget Office estimate on legislation establishing a new Research and Development set-aside program places the administrative costs for 4 years at $193 million. Considering that this new program is only a fraction of the size of the construction set-aside program, there is little doubt that the set aside program in construction will cost the government and the taxpaying public many times more than $193 million.

Are Small Business Set-Asides Needed in Construction?

Simply put, the answer is no.

In 1963 the Administrator of the Small Business Administration directed that a study be instituted to look at the construction industry to detail its characteristics. The study looked at the economic factors that influence the industry to determine if the then emerging SBA programs were applicable to construction. The findings of that study are as follows, and are as valid today as they were in 1963:

- "There can be no question but that the application of any measures of competitiveness to the building and construction industry would result in the conclusion that it should be ranked among the least concentrated or most competitive. It is not dominated by a few large firms.
- The industry is comprised of a very large number of enterprises.
- The industry is comprised of small enterprises by conventional standards.
- There is a very high rate of business births in construction. None of the major industry categories had an entrance rate as high as construction.

- There is also a high rate of business failures in the industry.
- The financial costs of entry to the industry are relatively low in many branches. Equipment may be rented. Workmen typically furnish their own tools. In many cases owners and clients may advance part of capital.
- The scale of operations in the construction industry reaches efficient levels at relatively small size. The technology of the industry does not require large scale operations and large capital costs, compared to industry generally, in order to achieve efficient operations.
- Construction enterprises have few fixed costs and move readily from locality to locality and even region to region, increasing materially the degree of competition in a single locality. Work opportunities attract bidders from far and wide.
- The bidding or pricing system of the industry in effect on most federal government work is highly competitive. Operations do not continue for a long time on prices initially established by a seller, as in many manufacturing industries. The contractor must in the ordinary case face new competition on each new contract he gets.
- The bidding takes place on a specifically defined project. All bidders are furnished the same specifications and plans, and in the typical case, the competitors are bidding on a precisely defined and identical product.
- The subcontracting system, characteristic of construction projects, enhances the competitive nature of the industry. Each successful bidder may consider whether to perform the work or subcontract a portion of it in turn.
- Contractors face keen competition from prospective clients who prefer to perform work themselves. Industrial enterprises, householders, and local, state and federal government agencies affect competition conditions in construction by performing an appreciable amount of construction work themselves.
- The above features of the construction industry suggest that the construction industry is already relatively highly competitive among sectors, and that the need for using the influence of federal contracts to increase competitiveness deserves a low priority in construction. The use of set-asides in construction needs to be placed in this perspective."

The above facts lead inescapably to the conclusion that the characteristics of the construction industry assure ample opportunity for qualified contracting firms of all sizes to obtain a share of federal construction outlays.

Large firms, for example, place themselves at a competitive disadvantage if they compete for a project that is too small for them since they have to assign key management or supervisory personnel to such projects or have to acquire such personnel. At the same time, such larger firms have to commit some of their bonding capacity for these smaller projects with the result that when they contemplate bidding on projects in their own construction marketplace level they are at a disadvantage with their real competitors because they may have dissipated their management and supervisory skills, their bonding capacity and their financial resources on projects that are outside the scope of their natural market area.

Further evidence that set-asides are not needed in construction is provided by the Federal Procurement Data Center's statistics on federal construction contract actions. These statistics indicate that in both FY '81 and FY '82, *75 percent* of federal construction contract actions were awarded to small business. Over one third of these awards were made through the open unrestricted competitive bid system and not by way of the set-aside program, clearly indicating that small businesses are capable of winning construction contracts in the open unrestricted market without the government's assistance. What makes this figure particularly significant is that, presumably, these contract actions were not set-aside for restricted bidding and award for small business because a contracting officer deemed that they were not within the capabilities of a small business. If small businesses can compete so successfully for contracts "not within their capabilities," there is little doubt that they will be equally successful in open unrestricted competition for all contracts.

The subcontracting system in the construction industry also negates any need for small business set-asides in construction.

Depending on the type of construction, as much as 50 percent of prime contracts may be subcontracted to various specialty contractors who are typically small businesses. In reporting the results of contract actions awarded, the Federal Procurement Data Center's statistics do not report the percentage subcontracted to small businesses. If such figures were available, it is anticipated they would reveal that the overwhelming majority of federal construction contracts are accomplished by small businesses.

SMALL BUSINESS 8(a) PROGRAM

Another Small Business Administration program which is contributing to the demise of the open competitive bid system is the SBA 8(a) program. This program was created by section 8(a) of the Small Business Act of 1958, although it did not become operable until 1968. Under the 8(a) program, the SBA and a federal contract awarding agency agree to remove a contract from the open unrestricted competitive bid system and sole-source negotiate the contract with a "socially and economically disadvantaged small business firm" as defined by the Small Business Administration.

Between 1968 and 1983, the SBA has utilized the 8(a) contracting program to channel some $10.2 billion in federal procurement contracts to 4,977 participating "socially and economically disadvantaged" firms. The theory underlying the program is that a disadvantaged firm, once awarded one or more sole-source negotiated contracts by various federal agencies in cooperation with the SBA, and having taken advantage of SBA management and technical assistance, would eventually be able to stand alone, compete successfully, and survive in the free enterprise system.

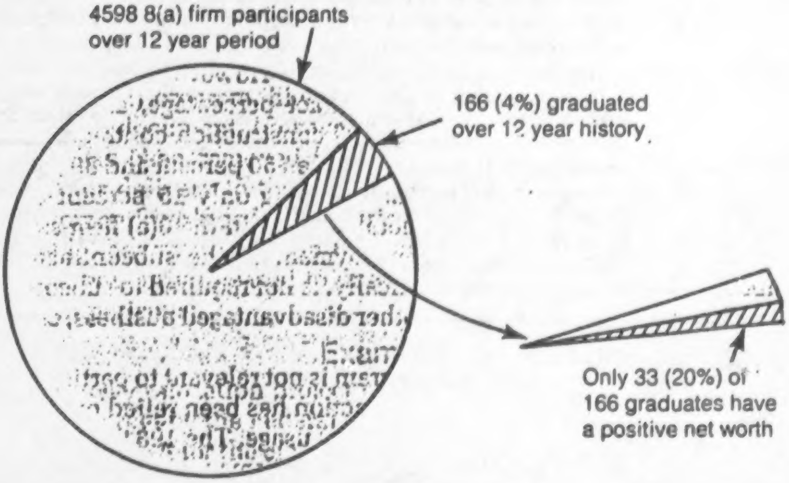
Just the opposite has occurred. The SBA 8(a) program, designed around a "protected market" for selected disadvantaged firms, has proven to be a dismal failure. According to data contained in a 1981

GAO Report (CED-81-55), only 4 percent or 166 of the 4,598 MBE firms participating in the 8(a) program between 1968 and 1980 graduated. An earlier GAO Report on firms that did graduate found that only 33 showed a positive net worth. There has been little, if any, improvement in the 8(a) success rate since this data was compiled.

Nationally syndicated columnist Donald Lambro may have summed it up best when he said "The idea was to temporarily give small approved 8(a) businesses non-competitive federal contracts and other aid to help them eventually become self-sufficient. In fact, the program has become an unending contract pipeline upon which most 8(a) firms are almost totally dependent for survival."

The failure of this program in the construction industry is justified for three primary reasons: first, the 8(a) program does not achieve its stated purpose in construction because it is not compatible with the very nature of the industry; second, the extremely high cost it engenders to the government and the taxpaying public; and third, because it impacts harshly on non-8(a) construction firms.

History of 8(a) Program



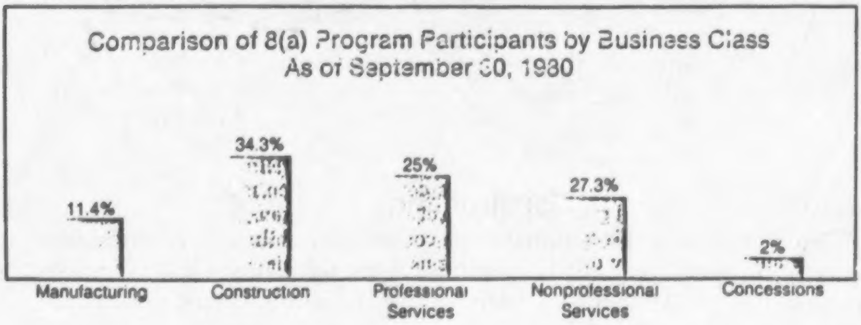
Incompatibility with Construction

Construction is not dominated by a few firms, rather it is dominated by the open competitive bidding system with award to the lowest responsible bidder. Owners, both private and public, benefit from this competitive bid system by receiving top quality work for the lowest possible price. Contractors benefit by the assurance that an equitable opportunity to participate and bid on any work is open to all. Competition assures that the industry will remain open. To survive in the construction industry one must learn to be competitive; one must learn to submit the lowest responsible bid. Yet, the 8(a) program, the stated purpose of which is to "promote the competitive viability of socially and economically disadvantaged firms," never requires the firms to be competitive, never requires the firms to bid. The 8(a) program in construction is a sole source negotiation program—not even competitive negotiation—but sole source.

One has to wonder how a firm can learn to be competitive, without ever having to compete. Giving a contract to a firm in the 8(a) program and negotiating the price for the work, does not help that firm become a competitive business. In fact, it removes the 8(a) contractor from that portion of the process in which competitive skills are developed. Surveying the market of available work, deciding which projects are within the firm's capabilities, estimating the project, obtaining bonding, soliciting competitive subcontract bids and supply quotes, and finally preparing a competitive bid are the skills which are needed to become competitive in construction. The 8(a) program undermines the development of these skills.

Once a competitive contract is won, a contractor must use his technical skills to schedule the progress of the work, coordinate delivery of materials, manage the performance of the construction by his employees, and ensure that subcontractors are performing their tasks and keeping the entire progress of the project on schedule. These skills also are not developed by the 8(a) program because SBA allows an 8(a) construction firm to subcontract up to 85 percent of the work. Subcontracting is, of course, a part of construction. Depending on the nature of the construction project, the general contractor may complete the work entirely with his own forces, or may subcontract segments of the work as he deems appropriate. However, 85 percent of a project is an extremely high subcontract percentage, and, in fact, would not be allowed on most federal construction contracts which require that the contractor perform between 50 percent and 80 percent of the work with his own forces. Retaining only 15 percent of the construction contract would generally result in the 8(a) firm serving only as a conduit to pass along payment to the subcontractor or subcontractors. An 8(a) firm, ironically, is not required to subcontract that 85 percent of the work to another disadvantaged business, or even another small business.

Despite the fact that the 8(a) program is not relevant to participation in the construction industry, construction has been relied on heavily by agencies and the SBA to achieve 8(a) usage. The 1981 GAO report (CED-81-55) included a breakdown of the firms which are included in the 8(a) portfolio.



Comparison of 8(a) Program Participants by Business Class
As of September 30, 1980

The business category with the largest number of participating firms was construction, at 34 percent, but the impact is even greater than this number implies. Construction is the only category that only includes one industry. The other categories, for example "professional services" or "nonprofessional services" are broad groupings which can cover a variety of industries. No other single industry is impacted as significantly as construction.

In attempts to achieve disadvantaged business utilization goals, larger and larger construction contracts have been given to the 8(a) program. In 1983 the Army Corp of Engineers sole-source negotiated a $14 million construction contract under the 8(a) program. One must wonder how firms large enough and sophisticated enough to handle a $14 million construction contract can be considered small disadvantaged businesses. The 85 percent subcontracting allowance undoubtedly provides the answer by allowing the 8(a) firm to merely serve as a payment conduit for other firms who actually perform the work. It seems apparent that projects of this size are being awarded 8(a) merely because their volume quickly adds up and helps an agency achieve its disadvantaged business utilization goal.

Costs of the 8(a) Program

Whenever competition is limited, or eliminated as in the case of the 8(a) program, higher costs usually result. This is generally difficult to document, however, because once a federal construction project has been removed from the open unrestricted competitive market for delivery to the 8(a) program, there is no opportunity for open competitive bids for comparison purposes. Several examples are available, however, wherein 8(a) contracts were initially negotiated but subsequently released to open competition, thus allowing valid cost comparisons:

Example I

A highway relocation project in Idaho was removed from the competitive market by the Federal Highway Administration (FHWA) and given to the SBA for the 8(a) program. SBA provided an 8(a) contractor for the project who submitted a proposal of $3.9 million for the work. This price was $911,000 over the government's estimate and FHWA was reluctant to pay the price. The negotiations continued and FHWA eventually agreed to remove a portion of the work from the contract. In addition, SBA agreed to give the 8(a) contractor $350,000 in "business development expense funds" for the purchase of equipment. With these changes the 8(a) firm was able to offer a price of $3.025 million. It should be noted that this 8(a) contractor's past construction experience had been in the $200,000 or less range with limited highway construction experience and that a non-8(a) construction firm was to be a major subcontractor and would in fact be in charge of the project.

FHWA decided not to award the contract to the 8(a) firm but to competitively bid the entire work, including the previously removed portion. Three months later 19 firms bid for the work. When the bids were opened the low bid price was $2.355 million. The government and the taxpayers saved over $1 million when compared to the overall original negotiated price, and $669.000 when compared to the last negotiated price. When added to the additional $350,000 in business development expense funds that would not be paid out, the competitive price represents a 40 percent savings, or $1.019 million.

Example II

A flood wall project was given by the Corps of Engineers to the SBA for the sole-source negotiated 8(a) program. A price of $416,000 was negotiated for the work with an 8(a) firm. The project, however, was eventually put out for open competitive bid. Fourteen months after the contract could have been offered for competition, bids were finally opened. The low bidder was awarded the contract at a price of $188,950. This represents a 55 percent savings to the taxpayer. As in the previous example, there were 19 bidders on this project from six different states.

If these examples, and those which follow, are indicative of the cost of the 8(a) program in construction, the waste of money to the taxpaying public is staggering.

		Savings Through Open Competitive Bidding
Highway relocation, Elephant Butte, Idaho (Federal Highway Admin.)	The 8(a) negotiated price was $3,024.000: the low competitive bid was $2,355.000.	$669.000 or 22%
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Impact on Non-8(a) Construction Firms

Nineteen bidders on construction projects is becoming commonplace throughout the industry and is indicative of the state of the construction market. These conditions naturally impact all construction contractors. When added to the increased use of the 8(a) program which takes further work out of the open market, the non-8(a) small business construction contractor is facing a bleak future. The impact is compounded by the way in which contract awarding agencies administer their participation in the 8(a) program.

The Army policy, for example, for implementing the 8(a) program requires the Corps of Engineers to "reserve" for the SBA, which means to take out of the open competitive market, any projects which they deem are "susceptible" to performance by a small disadvantaged firm. This has resulted in the "reserving" of undue quantities of contracts for the SBA. In turn, SBA takes many months to place the project with an 8(a) firm. For example, the Vicksburg District of the Corps of

Engineers in 1981 reserved its entire procurement list for a major part of the construction season for the 8(a) program. The total estimate for these projects was $28 million and was "reserved" in an attempt to meet a $6 million disadvantaged business utilization goal. Also in 1981, the Corps of Engineers Lower Mississippi Valley Division "reserved" 81 projects valued at $87 million and the four Ohio River Districts "reserved" 89 contracts valued at $78 million.

While much of this work was not awarded to 8(a) firms but was eventually returned to the open competitive market since the SBA was unable to supply 8(a) contractors for all of this work, the impact was still devastating. It is impossible for a contractor to do any future planning and to decide which projects he will bid if he cannot be sure what work will be available. Even if all of these contracts were eventually turned back for open competitive bid, "reserving" them en masse for an indefinite time period plays havoc with a contractor's projection of workforce needs and equipment requirements. This particularly impacts the small contractor who is not able to provide contingencies to cover these uncertainties by making use of his workforce and equipment on other jobs. Reducing the market this significantly, even for a short period of time, leads to the demise of many small contractors who have provided the government top quality work at the lowest price for years.

A CONSTRUCTIVE ROLE GOVERNMENT CAN PLAY

Small business firms could be greatly assisted by the elimination of public construction agency competition via public force account construction. Small construction projects have proved to be the ideal training grounds for emerging small business enterprises. Yet, we are presented with an extraordinary contradiction: as a social policy the nation has attempted to encourage the growth and development of small business firms; but many cities, counties and other public agencies refuse to put small construction projects out for bid to the private sector, instead keeping them to be performed by taxpayer financed construction operations. This system, commonly referred to as public force account construction, removes from the marketplace hundreds of thousands of construction opportunities that are within the scope of small business qualifications and bonding capacities, and denies firms an enormous market for projects which are within their current capacities.

CONCLUSION AND RECOMMENDATIONS

The construction industry is a highly competitive and open industry dominated by small family-owned businesses that work close to home in a fairly well defined geographic area. Construction is not dominated by a few firms, but by vigorous competitive bidding among many. That is, federal construction contracts generally must be awarded through competitive bidding procedures to the lowest responsible bidder. This procedure assures intense competition within the industry, and assures that the project will be completed at the most economical cost to taxpayers. These factors make the construction industry one of the last true bastions of the free enterprise system.

This bastion, however, has been under a concerted, non-stop attack for some time from government imposed special preference procurement programs. These special preference procurement programs are contributing to the demise of the open competitive bid system in construction. Specifically, the small business set-aside program, and the small business 8(a) program are eliminating open competition, and increasing costs to the taxpayers.

Statistics provided by the Federal Procurement Data System on Federal construction contracts reveal that 60% of all Federal construction contract actions were unavailable for open, unrestricted competition in FY 1981 due to the Small Business set-aside and 8(a) program.

These set-asides are artificial props which do little but limit competition and increase the cost of public work construction. The characteristics of the construction industry are such that qualified contracting companies of all sizes are assured ample opportunity to obtain their "fair share" of federal outlays. Under open, unrestricted competition the smaller contractor secures more of the smaller contracts because of proximity to work, specialized requirements or many other circumstances, when it is more economical for a medium size or large size contractor to perform a contract and it would, therefore, likely be the low bidder. In denying these firms the opportunity to bid on set-aside contracts, the government is interfering with the free market system and increasing the cost of construction to the public.

Open, unrestricted competition in federal construction procurement has served the nation's taxpayers well. Taxpayers have the right to be assured that their tax monies are being spent in the most efficient and economic manner possible. Open unrestricted competition in federal construction procurement has always given that assurance.

The SBA set-aside and SBA 8(a) programs are changing all that. Through over-zealous advocacy and misguided implementation, these programs have for too long eliminated open unrestricted competition in federal construction procurement.

In order to restore open unrestricted competition to federal construction procurement and reduce federal construction costs to the government and the taxpaying public, the small business set-aside program and the small business 8(a) program must:

- Be legislatively eliminated from application in the construction industry.

At a minimum, the problems engendered by these special preference programs can be reduced by the following actions:

SMALL BUSINESS SET-ASIDE PROGRAM

- Revision of Federal Contract Awarding Agency regulation requirements for small business set-asides.
- An overall reduction in all agency's "goals" for utilization of the small business set-aside program.
- Placing a maximum limit of no more than $2 million on the size of a construction contract which can be set-aside.

SMALL BUSINESS 8(a) PROGRAM

- Limiting the number of 8(a) contracts in construction.
- Placing a maximum limit of no more than $2 million on the size of a construction contract which can be used in the 8(a) program.

STATEMENT OF JAMES W. SUPICA, VICE CHAIRMAN, HIGHWAY DIVISION, ASSOCIATED GENERAL CONTRACTORS, ACCOMPANIED BY JOHN SROKA, AND BRIAN DEERY

Senator THURMOND. Our witness from AGC is Mr. James W. Supica and I understand he heads a construction firm from Kansas and his firm is a small firm according to SBA definition.

Mr. Supica, please proceed. Your entire statement will go in the record. You may summarize it to save time.

Mr. SUPICA. We certainly appreciate having this opportunity to testify before you today.

I am accompanied by John Sroka and Brian Deery of AGC's Washington staff. If there is any followup information necessary, please call on these two gentlemen to provide that information.

Our prepared statement we have reduced considerably. We do have a copy of statistics that we will leave for the record as well as two booklets that go into detail on the cost impact of the small business set-aside program in the construction industry, and the cost and impact of minority business enterprise requirements.

I am a small business construction contractor from Lenexa, KS. Approximately one-half of my volume is the result of construction work I perform for the Army Corps of Engineers.

Mr. THUMOND. Mr. Supica, we don't want you to read your whole statement. I have already put your statement in the hearing record.

Can you just summarize it and tell us what it is all about in your own words?

Mr. SUPICA. I will be glad to try that.

Mr. THURMOND. There is no use to read the statement and duplicate it.

Mr. SUPICA. I will certainly do that.

I have been in the contracting business since I was 16 years old. I have my own firm as owner manager the last 13 years. Approximately half of my work has been performed for the Corps of Engineers. Most of that work, two-thirds of it, has been on projects that were in the small business set-aside category.

The small business set-aside projects that I submitted bids on actually had an average of three bidders on it. The greater volume of my work was done on the open competitive market.

Under that condition I have always witnessed anywhere from six to seven bidders on average.

I strongly believe, even though my company has benefited from the small business set-aside projects, that there are cost savings for the U.S. Government military program if the small business set-aside is put aside and we open up all the projects, all the projects are let under the free market system where there is no exclusive projects for small business or other selected groups.

[The prepared statement of Mr. Supica follows:]

TESTIMONY OF

J. W. SUPICA

REPRESENTING

THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA

BEFORE THE

MILITARY CONSTRUCTION SUBCOMMITTEE

OF THE

SENATE APPROPRIATIONS COMMITTEE

AND

SENATE ARMED SERVICES COMMITTEE

ON THE SUBJECT OF

SMALL BUSINESS SET-ASIDES

IN THE CONSTRUCTION INDUSTRY

AGC is:

- More than 32,000 firms including 8,500 of America's leading general contracting firms responsible for the employment of 3,400,000-plus employees;
- 112 chapters nationwide;
- More than 80% of America's contract construction of commercial buildings, highways, industrial and municipal-utilities facilities;
- Over $100 billion of construction volume annually.

My name is Jim Supica and I am a small business construction contractor from Lenexa, Kansas. Approximately one half of my volume is the result of construction work I perform for the Army Corps of Engineers. Most of the work I do for the Corps has been awarded on a restricted competition basis through the small business set-aside program. I am here today to tell you that I do not need the small business set-aside program to be competitive and in fact the whole concept is alien to the way in which the construction industry operates.

I am here today representing the Associated General Contractors of America. AGC is an association of some 32,000 firms including 8500 of the leading general contractors in the country. Approximately 85 to 90 percent of AGC membership is small business as defined by the new size standards. Despite this fact, the AGC membership has endorsed the position that the Small Business Set-Aside Program is not needed in the construction industry.

The essence of my remarks today and the essence of my written testimony is that:

- o The construction industry does not need the help SBA alleges to give us by setting aside construction contracts.
- o The construction industry does not want the help SBA alleges to give us by setting aside construction contracts.
- o The construction industry is being forced to carry on its back a combination of misconceptions and ignorance that seems to permeate the thinking of bureaucrats whose actions reflect an absolute lack of knowledge about the realities of the construction industry.

We do not want SBA's set-aside help but we do need help, and badly, from the United States Congress. The real help we need is to get the social engineers off our backs. By ridding us of the social engineers you would reduce construction costs and save taxpayers money. If, in that process, Congress continues to have taxpayers absorb the administrative costs of SBA set-asides and if the bureaucrats involved have to be paid not to do any work, the savings that will accrue to America's taxpayers will far exceed the costs of their idleness. In this case, paying government workers not to do their jobs will save the taxpayers money.

The construction industry is truly one of the last bastions of the free enterprise system and as such is a haven for small businesses. This industry is typified by family-owned businesses that work close to home, jealously guarding their integrity and reputation in the community, in an extremely competitive and open industry. Construction is not dominated by a few firms, rather it is dominated by the open competitive bid system. That is, competition in terms of price and ability to complete the task determines which companies win contracts. Depending on the nature of the construction project, the general contractor may complete the work entirely with his own forces, or may subcontract the speciality work as may be required for a complete job.

The industry is also one of but a few that permit an individual to make a start with little or no capital. An emerging construction firm generally uses credit to buy materials and arranges for short term loans to pay for equipment rental and labor costs. This ease of entry into the industry, while safeguarding and assuring competition in the industry, is also one of the chief reasons for the high rate of failure in the industry.

In 1963 the Administrator of the Small Business Administration directed that a study be instituted to look at the construction industry to detail its characteristics. The study looked at the economic factors that influence the industry to determine if the then emerging SBA programs were applicable to construction. The findings of that study are as follows, and are as valid today as they were in 1963:

o "There can be no question but that the application of any measures of competitiveness to the building and construction industry would result in the conclusion that it should be ranked among the least concentrated or most competitive. It is not dominated by a few large firms.

o The industry is comprised of a very large number of enterprises.

o The industry is comprised of small enterprises by conventional standards.

o There is a very high rate of business births in construction. None of the major industry categories had an entrance rate as high as construction.

o There is also a high rate of business failures in the industry.

o The financial costs of entry to the industry are relatively low in many branches. Equipment may be rented. Workmen typically furnish their own tools. In many cases owners and clients may advance part of capital.

o The scale of operations in the construction industry reaches efficient levels at relatively small size. The technology of the industry does not require large scale operations and large capital costs, compared to industry generally, in order to achieve efficient operations.

o Construction enterprises have few fixed costs and move readily from locality to locality and even region to region, increasing materially the degree of competition in a single locality. Work opportunities attract bidders from far and wide.

o The bidding takes place on a specifically defined project. All bidders are furnished the same specifications and plans, and in the typical case, the competitors are bidding on a precisely defined and identical product.

o The subcontracting system, characteristic of construction projects, enhances the competitive nature of the industry. Each successful bidder may consider whether to perform the work or subcontract a portion of it in turn.

o Contractors face keen competition from prospective clients who prefer to perform work themselves. Industrial enterprises, householders, and local, state and federal government agencies affect competitive conditions in construction by performing an appreciable amount of construction work themselves.

o The above features of the construction industry suggest that the construction industry is already relatively highly competitive among sectors, and that the need for using the influence of federal contracts to increase competitiveness deserves a low priority in construction. The use of set-asides in construction needs to be placed in this perspective."

The above facts lead inescapably to the conclusion that the characteristics of the construction industry assure ample opportunity for qualified contracting firms of all sizes to obtain a share of federal construction outlays.

Large firms, for example, place themselves at a competitive disadvantage if they compete for a project that is too small for them since they have to assign key management or supervisory personnel to such projects or have to acquire such personnel. At the same time, such larger firms have to commit some of their bonding capacity for these small projects with the result that when they contemplate bidding on projects in their own construction marketplace level they are at a disadvantage with their real competitors because they may have dissipated their management and supervisory skills, their bonding capacity and their financial resources on projects that are outside the scope of their natural market area.

Despite the fact that the small business set-aside program is unneeded in construction this industry has been overly relied on by the federal agencies to meet their small business procurement goals. Since the Defense Department's procurement practices are of special interest to this committee, I would like to highlight DOD's practices in this area. Construction procurements in fiscal years 1981 and 1982 accounted for less than 8 percent of DOD expenditures for all types of procurements. Yet, in FY '82 of the $10 billion of all types of procurements set-aside for exclusive small business bidding, $2.7 billion or 27 percent were construction procurements. In FY 1981 25 percent of DOD procurements set-aside were construction procurements. This clearly points out that DOD is overly dependent on construction procurements to meet its goals.

It is easy to see how construction ended up being such a significant portion of the amount set-aside by DOD when one takes a look at how DOD treats construction procurement. For example, in fiscal year 1983, according to DOD's own figures, 77 percent of DOD's construction contract actions were set-aside for exclusive small business bidding. When DOD's 8(a) contract actions for that fiscal year are added to the total, a shocking 82 percent of DOD's construction procurements were unavailable for open, unrestricted competition. In the two preceding fiscal years the figures are equally as high and there has been a definite trend of increasing the amount set-aside. In 1982 75 percent was set-aside and in 1981 70 percent was set-aside. Attached to my submitted statement are charts showing these percentages for each DOD agency.

The Small Business Act states that it is a national policy "to insure that a fair proportion of the total purchases and contracts for property and services...be placed with small business enterprises..." It is our contention that the best gauge for measuring a "fair proportion" is that which is spelled out in the Act -- purchases and contracts. The Department of Defense statistics show that 89 percent of contract actions for construction services in FY 1983 were awarded to small businesses. Construction contract actions refers to all construction activity by an agency including contract awards, changes, modifications, etc. This is the format that DOD and the Federal Procurement Data Center uses to report procurement activity and we are informed that it is a close approximation of contract award activity. This 89 percent of contract actions represents 68.2 percent awarded to small businesses of the total construction dollars awarded. The fact that the remaining 11 percent of contract actions represents 32 percent of the remaining dollar awards is a reflection of the type of construction which this final portion represents. These are obviously of a size and technical complexity which are not within the capabilities of firms that are smaller in size than the former $12 million size standard.

However, it must be pointed out that on these types of projects a significant amount is subcontracted by the prime contractor and much of this goes to small businesses. But even if we look strictly at dollar amounts set-aside for small businesses the number is still unreasonably high. In FY 1983 60 percent of DOD construction dollars were set-aside for exclusive small business bidding and 68 percent of DOD construction dollars were awarded to small businesses. I must emphasize here that all of the statistics we are using refor only to prime contract awards and not the amount of the contract that may be subcontracted to small businesses. This is because the data collectors do not yet maintain information on subcontracts. However, there is little doubt that a significant amount of the prime awards to firms larger than the eligibility size standard is awarded through subcontracts to small businesses.

Another way of looking at these statistics is to compare how DOD activities stack up against the experience in civilian agencies. For example, in 1983 the civilian agencies awarded 90 percent of their construction contract actions to small businesses. However, the civilian agencies set-aside for exclusive small business bidding 46 percent of their contract actions. The remaining 44 percent of the totals awarded to small business were achieved through the normal open unrestricted competitive bid system. Figures for fiscal years 1981 and 1982 are similar. This comparison raises several questions. First, if small businesses are able to compete so successfully for construction contracts which are not set-aside, why is it necessary to set-aside any construction contracts? Second, what is the cost to DOD for relying so heavily and needlessly on the set-aside program? Third, why has DOD relied so heavily on the small business set-aside program?

Set-Asides Not Necessary

The answer to the first question is self-evident. In the construction industry small businesses are extremely competitive.

They are quite capable of competing head to head with firms that do not qualify as small according to the SBA definition. In the private sector there is no such thing as a set-aside program. Here the open, unrestricted competitive bid system determines who will be awarded the contract. In the private sector smaller construction firms thrive and are able to obtain a fair proportion of the available market.

Cost of Set-Asides

The answer to the second question is less clear but it is a question we think this committee should be asking. It is difficult to put a dollar number on the cost to the government of using small business set-asides, however, a good indication of the cost can be extrapolated from a 1976 Report of Consultants to the Army Corps of Engineers on small business set-asides in the dredging industry. The report found that "...low bids received under unrestricted advertisements were 9 percent lower than those received under set-asides..." AGC has projected this 9 percent figure to the total value of DOD construction contracts set-aside in FY '83, $3.4 billion, and estimated that the set-aside program has cost DOD $306 million in restricted competition costs for that year alone. Another indication of the cost is a recent Congressional Budget Office estimate on legislation establishing a new research and development set-aside program which places the administrative cost of this program at $193 million over 4 years. Considering that this new program is only a fraction of the size of the construction set-aside program, there is little doubt that the set-aside program in construction will cost the government and taxpaying public many times more than $193 million.

I suppose that one of the questions you might ask is how can I assert that small business will maintain its share of the DOD construction market if set-aside contracts cost more, thus implying that small businesses are not as competitive? My answer is that there is no question but that a contractor preparing his bid must not only look at the specifications, work involved, material costs and labor prices, but must also look at his competition. The more competition the closer the bidder must look at his price. Open competition is what the construction industry is all about. Open competition is what the government should be seeking to assure the highest quality product at the lowest possible price. With the use of the small business set-aside program, competition is restricted and this is detrimental to all of the parties involved.

DOD Reliance on Small Business Set-Aside Program

An easy explanation for the third question can be found by looking at the section of the Defense Acquisition Regulations (DAR) which spells out the procedures DOD must follow in implementing the set-aside program. The DAR requires that all construction contracts up to $2 million in value be automatically set-aside for restricted bidding and award. It also requires that all other construction contracts should be set-aside if the Contracting Officer expects that two responsible small businesses will bid on a contract and also expects that the award will be made at a "reasonable price." This broad language and subjective terminology leaves contracting officers with very little discretion in making the choice to restrict competition. There are no guidelines as to what represents a "reasonable price." There is also no requirement that the contracting officer look at the requirements of the project to see if it is even within the capabilities of a small business. He only need guess that any two small business firms may be willing to bid on the project.

In today's market, it is not unusual for 15 or more contractors to bid on available contracts, and not unusual for even the highest of the 15 bids to be below the government's estimate. Given the broad language of the regulation and despite the fierce competition in the construction market, a contracting officer can literally decide that all construction contracts must be set-aside for restricted bidding and award to small businesses. Clearly, this exceeds the actions necessary to implement Section 15 of the Small Business Act. Clearly, as well, this explains the great discrepancy in construction contracts set-aside by DOD and those set-aside by civilian agencies. The civilian agencies are currently governed by the Federal Procurement Regulations which have a different interpretation of the steps necessary in meeting the Small Business Act's mandates. These regulations allow the contracting officer much more discretion in deciding when contracts should be set-aside for small businesses. The FPR's require that a contract be set-aside when the contracting officer decides that there is "sufficient" competition from small businesses to justify a set-aside. You can see that this additional discretion has produced a more reasonable administration of the program.

An even more outrageous example of reduced competition and the resulting cost is the SBA 8(a) program. Under the 8(a) program, the SBA and a federal contract awarding agency agree to remove a contract from the open, unrestricted competitive bid system and sole-source negotiate the price for completing the work with a socially and economically disadvantaged small business firm. Over the years there have been countless GAO reports, Congressional hearings and newspaper articles point out the abuses and costs of this program.

The 8(a) program is incompatible with the construction industry because there is no competition for 8(a) contract awards. Additionally, 8(a) construction firms are permitted to subcontract up to 85 percent of the work. This is not in keeping with normal industry practices and, in fact, allows the 8(a) firm to act as little more than a broker. It is difficult to understand how an 8(a) contractor can be expected to learn to compete in this highly competitive industry if these skills are not required to be used.

Over its history we have seen larger and larger construction contracts awarded through the 8(a) program. In 1983 there were twenty construction contracts given to 8(a) firms that were valued at over $3 million. Two of these contracts were valued at $7 to $10 million and, incredibly, two were valued at $10 to $15 million. Few firms that SBA defines as small business would have the bonding capacity to perform contracts of this size. It is extremely difficult to understand how disadvantaged businesses are able to perform construction contracts of this size.

The Department of Defense has, of course, been a major contributor of contracts for use in the 8(a) program. In fiscal year 1983, DOD had 1017 contract actions with 8(a) firms valued at $297.4 million. The question this raises is, "what was the cost?" AGC has found several examples of increased costs on 8(a) contracts of from 15 percent to 55 percent. In addition, a Federal Highway Administration study has found that 8(a) construction contract prices averaged nearly 11 percent more than competitively bid contracts. What is the additional cost to DOD of using the 8(a) program? I do not have the answer to that question but I suggest it is a question that should be looked at further.

In the past, AGC has urged a moratorium on the use of the Small Business Set-Aside Program and the 8(a) program in construction to confirm our contention that these programs are absolutely unneeded. This suggestion has not been implemented by SBA. It is our contention that a moratorium will result in little change in the number of contract actions that are awarded to small businesses by DOD or any federal agency. AGC views a moratorium as a true test to see if a government program which has been in effect for over 30 years is still necessary. Such a test has never been undertaken. As the federal government and the Defense Department in particular are looking for ways to reduce their budgets, AGC suggests that now would be the ideal time to take a hard look at the procurement procedures currently being followed.

As a short-term alternative we urge that a project volume limit, not greater than $2 million, be placed on the size of construction projects that can be set-aside. This would limit set-asides to contracts that are truly of a size for small businesses and permit open competition on the remainder, to the benefit of the taxpaying public and in the interest of preserving free competition. We strongly urge that this project volume limit be implemented as the first step towards an eventual end of the use of these programs in construction.

1981 Prime Contract Awards for Construction
(Dollars in Thousands)

	Total		Total Small Business Awards		Small Business Percent of Total		Set Asides		Set Asides Percent of Total		8(a)	
	Act	Dol	Act	Dol	Act	Dol	Act	Dol	Act	Dol	Act	Dol
Army	8,571	1,741,795	7,576	1,358,423	88.4	65.4	5,728	801,579	66.8	46	546	54,465
Navy	6,460	1,191,212	5,932	886,257	91.8	74.4	5,093	715,071	78.8	60	669	99,491
Air Force	4,720	509,132	4,495	461,368	95.2	90.6	4,163	421,652	88.2	82.8	389	30,936
Defense Logistics Agency	81	4,320	80	4,348	98.8	100	61	3,835	75.3	88.8	5	202
Corps of Engineers	3,660	1,498,202	2,656	633,113	72.6	42.3	1,476	299,288	40	20	141	18,227
DOD Total	23,492	4,944,661	20,739	3,123,509	88.3	63.2	16,521	2,241,425	70	45	1,750	203,231
Civilian Agencies Total	14,607	2,052,297	12,725	1,298,799	87.1	63.3	5,971	522,198	40.8	25.4	1,581	175,554

Sources: DOD statistics from DOD Office of Small and Disadvantaged Business Utilization February 7, 1984 Letter to Representative Melvin Price, Chairman, House Armed Services Committee

Civilian Agency statistics from the Federal Procurement Data Center

1982 Prime Contract Awards for Construction
(Dollars in Thousands)

	Total		Total Small Bus. Awards		Small Bus. % of Total		Set-Asides		Set-Aside % of Total		8(a)	
	Action	Dollars	Action	Dollars	Action	Dollars	Action	Dollars	Action	Dollars	Action	Dollars
Army	10,669	2,025,777	9,515	1,373,134	89.2	67.8	7,854	1,095,424	73.6	54.0	482	87,915
Navy	6,637	1,137,061	6,146	972,847	92.6	85.6	5,373	770,292	80.9	67.7	190	30,972
Air Force	6,001	668,822	5,732	578,368	95.5	86.5	5,254	538,386	87.5	80.5	226	26,860
Defense Logistics Agency	121	5,713	116	5,428	95.9	95.0	87	3,785	71.9	66.2	7	661
Corps of Engineers	3,519	1,485,309	2,502	586,530	71.1	39.5	1,597	335,297	45.4	22.6	310	78,590
DOD Total	26,947	5,322,682	24,011	3,516,307	89.1	66.1	20,165	2,743,184	74.8	51.5	1,215	224,998
Civilian Agencies Total	14,607	2,052,297	12,725	1,298,799	87.1	63.2	5,971	522,198	40.8	25.4	1,581	175,554

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Civilian Agency statistics from the Federal Procurement Data Center

1983 Prime Contract Awards for Construction
(Dollars in Thousands)

	Total		Total Small Business Awards		Small Business Percent of Total		Set Asides		Set Asides Percent of Total		8(a)	
	Act	Dol	Act	Dol	Act	Dol	Act	Dol	Act	Dol	Act	Dol
Army	7,309	2,223,989	6,487	1,591,185	88.8	71.5	5,594	1,277,174	76.5	57.4	410	146,069
Navy	5,971	1,615,974	5,512	1,270,183	92.3	78.6	4,946	1,069,384	82.8	66.2	172	52,592
Air Force	3,824	850,772	3,644	680,723	95.3	80.0	3,338	627,749	87.3	73.8	212	42,155
Defense Logistics Agency	80	6,833	75	6,438	93.8	94.2	55	4,108	68.8	60.1	16	2,111
Corps of Engineers	2,600	1,408,567	1,896	615,034	72.9	43.7	1,348	391,405	52.0	27.8	207	54,484
DOD Total	19,784	6,106,135	17,614	4,163,563	89.0	68.2	15,281	3,369,820	77.2	55.2	1,017	297,411
Civilian Agencies Total	18,848	2,142,695	16,975	1,291,078	90.0	60.0	8,674	525,283	46.0	24.5	1,701	176,665

Sources: DOD statistics from DOD Office of Small and Disadvantaged Business Utilization February 7, 1984 Letter to Representative Melvin Price, Chairman, House Armed Services Committee

Civilian Agency statistics from the Federal Procurement Data Center

Senator THURMOND. Would you favor having set-aside for small business opened up for everybody to bid on it and compete?

Mr. SUPICA. That is exactly right. In my area three of my major competitiors are larger contractors than I. On the work that I have bid successfully under small business, they were not able to complete against me.

Yet on the majority of my work I do, I beat these contractors on a regular basis.

The contractors I like to compete against are the major size contractors. Their overhead and expense involved make me much more competitive than they are on most projects I compete on against them.

Senator THURMOND. You are a small businessman.

Mr. SUPICA. And I have been since I have been in business.

Senator THURMOND. You think it is better for the small business people not to be given favoritism in this manner because in the end it is costing the Government more?

Mr. SUPICA. I don't really believe the contractors really need set-aside projects as such.

Senator THURMOND. In other words, you think the big contractors will bid on big contracts and small business people will get the small contracts if this is done?

Mr. SUPICA. That is right. The nature of our industry is that you bid on a project for which you are financially equipped and have the staff to complete it.

Senator THURMOND. How does your association feel about this?

Mr. SUPICA. Our association is made up of approximately 8 percent small businesses. Our association board of directors and executive committee feel as I do that the small business set-aside is not necessary.

Senator THURMOND. Now they have a small business association nationwide, as you know.

Mr. SUPICA. Yes, sir.

Senator THURMOND. Are you a member of that?

Mr. SUPICA. No, sir, I am not.

I did receive an award back in 1979, my company did, from the Small Business Administration which presented a certificate to me in recognition of outstanding contribution of service to the Nation's needs and receiving recognition as the small business prime contractor of the year. I was proud of the award.

Senator THURMOND. I wondered how they felt about your program?

Mr. SUPICA. I have no idea how they feel about our position on this, sir.

Senator THURMOND. It might be well to hear from them.

From what you say, you think it is not only better for the taxpayers, but better for small business people, too, that we open it up to everybody and the big contractors will get the big contracts and the small businesses will get the small ones.

Mr. SUPICA. I believe so. The large contractors will be subcontracting a portion of their work to small business on these large projects they get.

Senator THURMOND. How does that save money? Do you think they will get a better bid?

Mr. SUPICA. Absolutely. When the competition is there, as a businessman I will bid the project, but I also will bid my competition.

If I realize I am competing against smaller contractors, I will put on additional markup and bid the market.

If I am bidding against more competitive, larger contractors, I will submit a lower price.

Senator THURMOND. Thank you very much. We appreciate your presence. Thank you for being here.

Before we adjourn, I would like to include for the record, written testimony by Capt. John C. Rice, Jr., U.S. Naval Reserve, national president, Naval Reserve Association; Sgt. Maj. C.A. Mack McKinney, U.S.M.C. (Retired), executive director for Government affairs, NonCommissioned Officers Association; and Maj. Gen. Francis S. Greenlief (retired), executive vice president, National Guard Association. Now we will recess until 3 o'clock tomorrow.

[The prepared statements follow:]

Prepared Statement by Capt. John C. Rice, Jr., U.S. Naval Reserve, National President of the Naval Reserve Association

Mr. Chairman, Committee members, we appreciate being able to provide testimony before this Committee. This is our first submission in what we hope will be a yearly event.

NRA believes that the Guard and Reserve, properly supported, is the best buy in Defense today. This Committee has been responsive to the Reserve Components in the past and we trust you will continue to be supportive in the future.

The Congressional interest and pressure on the Services regarding the active/reserve mix in the Total Force defense effort has focused a lot of attention on the Reserve Components. One of the discoveries made during this attention on the Reserve is that the Guard and Reserve units have not been given much more than token support by the Services in the past. As a result of the inattention and the transfer of missions and tasks to the Naval Reserve, the backlog of required construction is up considerably. As stated by Rear Admiral Roop, Deputy Director, Naval Reserve, the Naval Reserve backlog has gone from $441 Million last year to $558 Million for this year. While it is obvious that there is little chance to make a large dent in this backlog this year, the Naval Reserve Association hopes that some progress can be made by funding some additional projects which are executable in FY 1985 but are not funded.

The increased emphasis on the Naval Reserve and the expanded and new roles it is charged with should show up in several accounts, one of which is Military Construction. A look at the eight year period from FY 1983 through the planned fiscal years to 1990 presents an interesting contrast in MILCON and MCNR funding.

Fiscal Year	83	84	85	86	87	88	89	90
Navy MILCON	915.8	1,092.3	1,558.4	2,333.6	2,671.4	2,989.6	3,560.1	3,691.8
Navy MCNR	25.2	30.6	60.8*	50.7	51.1	38.3	59.4	61.6

(Dollars In Millions)

*Includes berthing pier for $29.2 Million transferred from MILCON

It is obvious that even the out year projections, which very seldom arrive in the Naval Reserve, are not consistent with the increased responsibilities being given the Naval Reserve. NRA hopes the Committee will consider moving into some of the executable additional projects listed later in this discussion. We consider this to be the top priority this year.

Navy and Marine Corps Reserve Center, Denver

Second on our priority list is to ask the Committee to intercede in the attempt by General Services Administration (GSA) to evict the Navy and Marine Corps Center from the Denver Federal Center. The GSA wants the Navy out in the fall of 1984 from the spaces the Reserve units have occupied since 1951. GSA wants the space to provide laboratories for the Food and Drug Administration whose existing laboratories have health and safety hazards.

The disagreement between Navy and GSA goes back to November 1981 when the Navy agreed to move up the project to build a Navy and Marine Corps Reserve Center at Buckley Air National Guard Base, Aurora, Colorado from FY 1987 to FY

1985. GSA, however, did not consider the 1981 agreement binding and has insisted, in spite of many Navy objections, that the Reserve Center move to a temporary location at Buckley ANG Base. The cost of modifying the temporary location would be $4.0 Million plus an increased rental cost of over $470,000 a year. Additionally, Navy estimates the disruption of Reserve Training will occur over a 10 month period, five months for each of the two moves required. NRA requests the Committee to intervene in this disagreement in an attempt to determine the relative advantage/disadvantage of the controversial double move compared to the funding consideration.

Raising Minor Construction Limits

In the proposed FY 1985 Authorization Act, Title VII, Sec. 702 is a request to modify the Guard and Reserve minor construction authority. Essentially it raises the present $50,000 authority to $100,000. We strongly support this proposed modification. As a result of the 1983 Military Construction Codification Act, the active force O&M minor construction limit was increased from $100,000 to $200,000, a 100% increase. However, the Reserve force limit was not increased, remaining at $50,000, in spite of the same market place demands on both active and Reserve force construction. The proposed adjustment would bring the Reserve force limits more in line with the active force and the demands of the current market place. NRA strongly recommends Committee approval to raise the Reserve Minor Construction Limits from $50,000 to $100,000.

Payment for Real Estate Transfers within DOD

Executive Order 12348 of 25 February 1982 established the Property Review

BOARD (PRB). ONE OF THE APPLICATIONS OF THE POLICY ESTABLISHED IS THE REQUIREMENT FOR ONE MILITARY SERVICE TO PAY FOR PROPERTIES EXCESSED FROM ANOTHER MILITARY SERVICE. AS FAR AS WE CAN DETERMINE ALL THIS INVOLVES IS A LOT MORE PAPERWORK WITH THE NECESSITY FOR CONGRESS TO AUTHORIZE AND APPROPRIATE MONEY AND MOVE IT FROM ONE POCKET TO ANOTHER.

HARDEST HIT BY THE PROVISION TO PAY UP IS THE GUARD AND RESERVE COMMUNITY WHICH IS AND WILL BE FORCED TO REMAIN AT SUBSTANDARD LOCATIONS BECAUSE FUNDS ARE NOT AVAILABLE TO THEM TO PAY FOR EXCESS DOD PROPERTY WHEN IT BECOMES AVAILABLE FOR TRANSFER.

THE HAC RECENTLY REJECTED ARMY AND NAVY PROPOSALS TO REPROGRAM FUNDS TO PURCHASE EXCESS PROPERTIES. THE HAC SPECIFIED THAT THE PURCHASE OF EXCESS DOD PROPERTY SHOULD BE ACCOMPLISHED THROUGH NORMAL BUDGET PROCEDURES. UNFORTUNATELY, THE GENERAL SERVICES ADMINISTRATION (GSA) WILL NOT WAIT FOR THE YEAR OR MORE IT MAY TAKE FOR THE MILITARY DEPARTMENT TO OBTAIN FUNDING FOR EXCESS PROPERTIES THROUGH THE NORMAL BUDGET PROCESS. THUS, THE CURRENT PROPERTY REVIEW BOARD AND DOD POLICY HAS EFFECTIVELY VOIDED THE INTERSERVICE TRANSFER AUTHORITY OF 10 USC 2571A WHICH FOR YEARS PROVIDED AN EFFICIENT MEANS TO PROVIDE EXCESS MILITARY PROPERTY AT NO COST TO OTHER MILITARY DEPARTMENTS HAVING NEED FOR IT.

TWO SPECIFIC SITUATIONS CAN BE CITIED AS EXAMPLES. THE FIRST IS BEFORE YOU IN THE FY 1985 NAVAL RESERVE CONSTRUCTION PROGRAM, THAT IS, THE REQUIREMENT FOR THE NAVAL RESERVE TO PAY $625,000 TO GSA FOR PROPERTY AND IMPROVEMENTS AT THE FORMER RICHARDS-GEBAUR AIR FORCE BASE, MO. A SECOND SITUATION IS DEVELOPING AT FORT SAM HOUSTON, TEXAS. THE ARMY IS FIGHTING TO RETAIN A 173 ACRE PARCEL OF LAND FOR USE AS A FUTURE HOSPITAL SITE AND A NEW NAVY AND MARINE CORPS RESERVE

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Center. The Reserve Center which was authorized by Congress in FY 1983, is well under design and projected for contract award this summer. The 15 acres was permitted to the Navy at no cost prior to the new policy. The PRB recently intervened and overruled the Army desires to retain the land. The PRB has directed the Army to declare their entire 173 acre parcel excess and to revoke the Navy permit, stating that if the Navy desires this or another site at Fort Sam Houston they will be given the opportunity to acquire the property as an interagency transfer in accordance with the existing procedures. This essentially means the Navy will now have to pay for the present site, if it is made available, or pay for an alternative site. In addition, if they have to resite the project a delay of a year or more is anticipated on the completion of the project. To us this situation and policy is untenable, creating both inefficiency and a bureaucratic nightmare for the military services. In summary, we do not agree with the policy and request your serious review of the situation with the intent of modifying the PRB policy to allow continuation of the no cost transfer process which has worked so efficiently in the past.

NRA has heard of bureaucratic logjams before but the only changes we can see occurring out of the present situation are on the debit side of the ledger. Congress now has to appropriate more funds to support the increased administrative requirements involved, and to fund out of one pocket to pay another. It is a classic example of how to set up a new Bureau. Additionally, it will often deprive the Reserve Components from getting a location which is already owned by the government because of the time involved in the budget process.

NRA strongly recommends that the Committee take what action it can to discourage the Payment For Real Estate Transfers within DOD.

ADDITIONAL PROJECTS EXECUTABLE IN FY 1985

THE FOLLOWING PROJECTS AND THEIR PRIORITIES ARE LISTED FOR THIS COMMITTEE'S CONSIDERATION. THESE ARE PROJECTS WHICH HAVE ALL THE NECESSARY PLANS AND JUSTIFICATION FINISHED FOR COMPLETION WITH FY 1985 FUNDS.

ADDITIONAL PROJECTS EXECUTABLE IN FY 1985

PRIORITY	LOCATION	DESCRIPTION	COST ($000)
1	NAS DALLAS, TX	F-4 FLIGHT SIMULATOR TRAINING FACILITY	500
2	NAS GLENVIEW, IL	RUNWAY OVERLAY	3,000
3	NAS GLENVIEW, IL	C-9 MAINTENANCE HANGER	4,300
4	NMCRC KANSAS CITY, MO	ALTERATION/REPAIR RESERVE TRAINING CENTER/READINESS COMMAND HQ	3,000
5	NMCRC BOISE, ID	RESERVE TRAINING BLDG.	4,500
6	NAS GLENVIEW, IL	TAXIWAY T-5 OVERLAY	4,300
7	NAS DALLAS, TX	F-4 AIRCRAFT MAINTENANCE TRAINING FACILITY	2,650
8	NRC CHEYENNE, WY	PURCHASE RESERVE CENTER	400
9	MCRC CLEVELAND, OH	PURCHASE RESERVE CENTER	600
10	NRC ROME, NY	PURCHASE RESERVE CENTER	450
11	NAVSUPPACT NEW ORLEANS, LA	FAMILY SERVICE CENTER	575
		TOTAL	24,275

NRA HIGHLY ENCOURAGES THE COMMITTEE TO CONSIDER THE FUNDING OF ALL THE ADDITIONAL EXECUTABLE PROJECTS. THIS FUNDING ADD-ON WOULD BE THE MOST EFFECTIVE WAY TO COMMENCE BRINGING MCNR BACKLOG FUNDING DOWN TO MANAGEABLE LEVELS WITH PRIORITY PROJECTS.

IN CONCLUSION, MR. CHAIRMAN, YOUR INTEREST AND HELP IN THE PAST HAS BEEN DEEPLY APPRECIATED AND WE LOOK FORWARD TO WORKING WITH YOU IN THE FUTURE. YOUR SUPPORT WILL HELP PROVIDE THIS COUNTRY WITH A GUARD AND RESERVE CAPABLE OF STEPPING INTO THE BREACH WHEN THEY ARE NEEDED IN A (POSSIBLE) CONFLICT. FOR THE MOST PART, THE CAPABILITY IS THERE IF THE SUPPORT IS PROVIDED. WHEN THE RESERVE COMPONENTS HAVE BEEN MANNED AND EQUIPPED AND WHEN THEY HAVE BEEN CALLED, THEY HAVE RESPONDED ADMIRABLY IN COMBAT AND IN COMBAT SUPPORT ROLES. THE NAVAL RESERVE AND THE OTHER RESERVE COMPONENTS WILL REPAY YOUR EFFORTS MANY TIMES OVER IN COST EFFECTIVE, WARTIME CAPABLE, ASSETS.

Prepared Statement of C. A. (Mack) McKinney, Sergeant Major USMC Ret., Executive Director for Government Affairs

MR. CHAIRMAN. I am pleased to have been invited to represent the Non Commissioned Officers Association of the USA (NCOA) at today's hearings. The Association has a total membership in excess of 250,000 with 160,000-plus serving or having served as noncommissioned or petty officers in the United States Armed Forces. Eighty-three (83) percent of the latter group currently are on active duty with the Army, Navy, Marine Corps, Air Force or Coast Guard.

On February 29 last I had the privilege of witnessing testimony offered by the top enlisted chiefs of the Armed Services. The four appeared before the House Appropriations Subcommittee on Military Construction. Their observations on what is or will affect the readiness of our military personnel proved to be enlightening. The Association recommends that this distinguished panel invite these servicemembers to appear before its membership to "tell it like it is." Much of what I will touch on in this statement relates to their testimony and what NCOA has gathered from its members stationed around-the-world.

First, permit me to speak about "perception." Far too often what people perceive, they believe. At the present our servicemembers are convinced that Congress again is about to trim their promised compensation and benefits package. Although there is only a minor but vocal group of congressional members seeking ways to trim certain items in that package, very few of their opposing colleagues are matching the public vociferousness in defending our servicemembers' entitled benefits.

The work of this panel is very important in negating that perception. The quality-of-life improvements authorized and funded over the past few years are positive actions proving that Congress really does care. When one considers the pay caps of fiscal years 1983 and 1984; the "freeze" on Variable Housing Allowances, permanent change of station (PCS) reimbursements, and etc., for the same period; plus talk of another delayed pay increase or cap and more "freezes" on allowances for FY 1985; the only thing going for our servicemembers is the generosity of the panels having oversight on military construction authorizations and appropriations.

Our servicemembers can cope with inadequate pay for a period of time as long as there are quality-of-life facilities available to them on military installations. Housing is extremely important but, if not available, allowances are necessary to ensure they and their families are not forced to live in substandard housing. Also of importance are commissaries and exchanges. If Congress is not willing to provide adequate or comparable wages, then it should do all it can to stop attacks on these programs and ensure their continued existence.

Family care centers, adequate medical facilities, as well as recreational and other morale-building facilities must be provided but, most important, available for use. Some that are now available must be modernized or relocated to more accessible areas.

Work-areas have to be modernized. Some are in terrible condition. Many medical facilities require modernization in the worst way. Some cannot procure adequate equipment to perform even the simplest of analytical diagnostics.

All of these add up to a pretty large package for this committee to handle in one year or, perhaps, even over a 5-year period of programming. Nevertheless, NCOA can assure this committee that if Congress offers our servicemembers a fair compensation, plus adequate on-base facilities, there'll be less of a chance that career military people will leave the services in an exodus such as took place in the mid and late 1970s.

Congress must realize that putting most of defense's eggs in one basket--strategic and naval weapons systems--while ignoring its most important asset--people--will trigger another mass walkout as the economy continues to improve. Already there are signs on the horizon pointing to some lean years ahead for the military's manpower picture. There will be a shortage of young men of recruitable age. Less people are walking into recruiting stations meaning there are less enlistees being pooled for later active duty commitments. Career reenlistment rates are beginning to drop and some second-term and even career servicemembers are beginning to look toward civilian employment for various reasons; i.e.--threats to the military retirement system, inadequate compensation, too-frequent deployments, long sea duty tours, inadequate or outdated equipment, family separations, and the list goes on and on.

In an on-going survey conducted by NCOA in the Norfolk-Virginia Beach area, 4,628 respondents have answered the question: "To what degree does the state of economy affect your decision to remain on active duty?" More than 44 percent (2,049) say "a lot." More than 34 percent (1590) say "some". Only 21.4 percent (989) say "None".

At the same time, 1,296 claim that medical care for their dependents is only "fair," 867 say it's "poor", and 881 say it's "good."

What can we surmise from these figures? First, and as stated previously, if the economy continues to improve there'll be more servicemembers opting for a civilian career. Second, if medical and dental care for dependents does not improve, others will be leaving the services. Many perceive that family health benefits furnished by civilian businesses are much more palatable than what the military has to offer.

Thus, NCOA strongly urges this panel to continue its pursuit of quality-of-life improvements. They can do much to enhance the morale of our troops and their families provided priority is given to those projects that add to the enhancement of continuing a career in the military services.

For the married servicemember or those with dependents, adequate housing is a must. For the single member, it's excellent recreational facilities easily accessible to the individual's assigned quarters.

Other projects--in order of preference--are listed as follows:

MARRIED PERSONNEL	SINGLE PERSONNEL
1. Improved medical and dental facilities for dependents	1. Better Working Facilities
2. Improved commissaries	2. Modern Bachelor Quarters
3. More Day Care Centers	3. Improved Exchanges
4. Better Working Facilities	

SEC. 802. S. 2364

SEC. 802 of S. 2364 proposes an amendment to subsection 2830(a) of title 10, United States Code. The amendment seeks statutory authority to charge military personnel, most in the junior enlisted pay grades, 75 percent of basic allowance for quarters (BAQ) for living in substandard family housing units (SFHU).

Two years ago, NCOA appealed to this subcommittee for a change in the then-existing code that authorized the military to charge as much as 100 percent of BAQ for SFHUs if the operation and maintenance of the units were in excess of 75 percent of the allowance. NCOA advised the subcommittee that it wasn't fair or equitable to have a servicemember pay 100 percent of BAQ for having to live in a SFHU when his or her peer of equal grade, time in service and family-size was paying the same fee for living in, perhaps, a brand new unit.

Consequently, through the efforts of this subcommittee, the law was amended capping the rental fee for SFHUs at 75 percent of BAQ; however, the language, "in the amount of the fair rental value," was retained so that the rental fee could not be as great as the 75 percent if the unit's fair rental value was of a lesser amount.

Now, it is the Association's understanding, the Department of Defense desires to amend the language as most if not all SFHUs have a fair rental value of 75 percent of BAQ and, if not, the costs of conducting fair rental value surveys are in excess of the 75 percent figure.

NCOA cannot believe that such reasoning is either sound or justified in view of the number of SFHUs that are rat-infested, havens for roaches and other insects, or breeding-grounds for crime. In two separate testimonies presented before the House Armed Service Subcommittee on Military Installations and Facilities, Representatives Ron Packard and Robert E. Badham described the deplorable conditions suffered by military personnel assigned to SFHUs (Sterling Homes) near Camp Pendleton, California. Surely these units are not to be listed as worth 75 percent of any servicemember's BAQ. To be honest, the military should pay any servicemember who has the "guts" to bring a family to live in such a degrading and disgusting environment.

NCOA is puzzled and amazed. Here we have defense officials coming to Congress seeking increased rates in Variable Housing Allowances (VHA) for servicmembers who can better afford to pay higher rental fees. The young servicmembers living in SFHUs have little choice to live elsewhere yet, Defense wants to increase their rental fees.

NCOA urges the subcommittee to retain the current language in section 2830(a).

NCOA appreciates this opportunity to share its views--which also are those of the active career enlisted force--with this distinguished panel. The Association urges consideration of its recommendations contained herein, and continues to offer its services in any way to assist the subcommittee.

The Association also graciously acknowledges the improvements this panel has authorized over the past few years and salutes its members and staff for a job well done.

Thank you.

PREPARED STATEMENT BY MAJ. GEN. FRANCIS S. GREENLIEF (RET.), EXECUTIVE VICE PRESIDENT OF THE NATIONAL GUARD ASSOCIATION OF THE UNITED STATES

Mr. Chairmen, and members of the committee and subcommittee, I appreciate this opportunity to appear before you to present the views of the National Guard Association of the United States on the important subject of the 1985 National Guard Military Construction Program.

Many factors contribute to the production of combat readiness of National Guard units. All of the many factors are important, but even fully equipped and armed men and women cannot become effective military units without facilities in, or on, which to train. Military construction is essential to the conduct of training and thus combat readiness.

My statement addresses:

The Role of the National Guard
Legislative Changes
Defense Acquisition Regulation
FY85 Military Construction Program

ROLE OF THE NATIONAL GUARD

The statements of the Directors of the Army National Guard and the Air National Guard address the role of the National Guard in some detail, therefore I will make just two points.

- As the result of the Total Force Policy adopted beginning with FY71, this nation cannot fight and win even a small conventional war without effective participation by National Guard and Reserve units. This nation cannot even be expected to successfully stand a confrontation without the Guard and Reserve being in such a state of readiness as to be recognized as a credible force.

- It is commonly believed that defense expenditures can be reduced by increasing this nation's reliance on the Guard and Reserve. We fear that it is not as commonly recognized that increased reliance on the Guard and Reserves will require the expenditure of additional funds to improve the combat readiness of the Guard and Reserves. Part of that increased expenditure would of necessity be for military construction.

LEGISLATIVE CHANGES

Military Construction Codification Act

Planning Army National Guard construction projects requires planning and action at community, state and Federal level. Coordinated action by a City Council, a state legislature and the U.S. Congress is often required. Whereas the Federal budget is an annual budget, many state budgets are biennial. It is essential that maximum flexibility be provided to permit the National Guard Bureau to execute the military construction program effectively so as to achieve a high obligation rate. The provisions of the Military Construction Codification Act provided for the authorization of specific line item projects on the basis of a list of projects developed almost a year earlier, and the

Subcommittee on Military Construction of the House Committee on Appropriations has insisted on a line items procedure. These actions have made execution of the National Guard Construction Program more difficult, and have contributed to the low obligation rate experienced in the ARNG program for FY83. A return to the lump sum procedures for both authorization and funding would improve the efficiency of program execution.

Department of Defense Proposed Legislation

- Section 703 of the 1985 Military Construction Authorization Bill authorizes 100 percent Federal funding of armory expansion projects which are required by changes in DoD construction criteria.
- Section 702 of the 1985 Military Construction Authorization Bill increased the ceiling on O&M Minor Construction projects from $50,000 to $100,000.

We strongly support the above two changes and urge that you approve the DoD recommended changes.

Federal Share of Cost of Armories

Current law authorizes the Secretary of Defense to contribute 75 percent of the cost of armories constructed in accordance with Federal criteria. The states are required to pay 25 percent of the cost of construction, to provide a properly prepared site for the construction, and to equip the armory. In addition, the states are required to maintain the armory for military use for a period of 25 years. Title to these armory facilities vests with the states. The net result of this arrangement is that the states pay 50 percent or more of the life cycle costs of any armory. To the extent that an armory lasts more than 25 years, and most do and will, the state costs will far exceed 50 percent.

State legislatures are becoming more and more reluctant to appropriate the funds necessary to both construct and maintain armory facilities. As a result the National Guard Association unanimously adopted Resolution No. 65 which is attached.

We urge that legislation be enacted to change the cost sharing arrangement for the construction of armories to a Federal contribution of 90 percent with the state paying 10 percent. With the states continuing to provide the site-prepared land, continuing to equip the armories, and continuing to agree to maintain the armory facilities for a period of 25 years, the cost sharing will probably be close to 75 percent Federal and 25 percent state.

We recognize that the limited time available in this session of the Congress will preclude action on this important legislative proposal in this session. We anticipate, however, that during the first session of the 99th Congress, the National Guard Association of the United States will be joined by the Adjutants General Association of the United States and the National Governors' Association in a determined effort to seek this legislative change.

Funding of Additional Storage Facilities

Existing Army National Guard armories were designed and built to criteria which provided much less space for storage than is now required for the increased bulk and quantity of supplies and equipment currently being issued to ARNG units. Although the existing storage space was built with the Federal government sharing 75 percent of the cost, the increased space requirement has been generated solely by the actions of the Federal government. We therefore conclude that the now-required increased storage space construction should be funded solely by the Federal government. See NGAUS Resolution No. 66 attached.

Defense Acquisition Regulation, 16 January 1984

Section 796 of the FY84 DoD Appropriations Act requires that architect and engineering services (A&E) and construction design contracts for military construction projects in the amount of $85,000 and over be open to all firms, regardless of size.

On 16 January 1984, the Defense Acquisition Regulation (DAR) Council implemented Section 796 by issuing the following guidance:

- Contracts expected to exceed $85,000 for architectural and engineering (A&E) services and construction design projects for military construction projects will not be set aside for small business, but will be open for competition to all firms, regardless of size in accordance with 40 U.S.C. 541.
- The foregoing applies to all A&E requirements which have not as yet been awarded as contracts including indefinite delivery and indefinite quantity contacts for A&E services.
- Solicitation for requirements expected to cost over $85,000 which have been published as small business set-asides will be withdrawn and resolicited on an unrestricted basis.
- New awards of indefinite delivery and indefinite quantity contracts for A&E services that are set aside for small business shall not exceed, for the total orders placed under the contract, $85,000.

These regulations, although apparently unavoidable, will further slow the obligation of construction funds in FY84.

FY85 Military Construction Program

The Military Construction Budget Request for the Army National Guard is $88,900,000. It will provide:

Major Construction	$60,847,000
Planning and Design	9,000,000
Minor Construction	19,053,000

This program will build 27 armories and 23 non-armory projects in 29 states and Puerto Rico. Upon completion of this program the estimated backlog of construction will be $838 million, $13 million greater than estimated at end FY84. Although the backlog appears to be stabilizing, the aging of buildings is probably not well defined in the calculation of construction backlog.

The Military Construction Budget Request for the Air National Guard is $102,900,000 which will provide:

Major Construction	$87,000,000
Planning and Design	8,000,000
Minor Construction	7,900,000

This program will build 67 projects at 48 locations in 34 states and territories. Upon completion of this program at end FY85, it is estimated that the construction backlog will be $530 million. And I am happy to report that the backlog will finally show a reduction -- down $13 million from that estimated at end FY84.

Although the $102.9 million MCANG program requested for FY85 is indeed a healthy program, there are additional projects which are urgently needed.

Attached is a list of eight urgently needed ANG projects which will cost an estimated $14 million to construct. These projects are at least 35 percent designed and contracts can be let in FY85.

SUMMARY

Mr. Chairmen, my statement addressed: The Role of the National Guard, Legislative Changes, Defense Acquisition Regulation, and the FY85 Military Construction Program.

We ask that you recommend full authorization of MCARNG Program and that you add $14 million to the requested MCANG Program.

We urge that you favorably consider the legislative changes which we have recommended.

Mr. Chairmen, we are grateful for your past support, and we pledge ourselves to make efficient use of facilities in the production of combat readiness.

Attachments

ADD-ON PROJECTS FOR ANG MILITARY CONSTRUCTION

All of the following projects are at least 35 percent designed:	($000)
Fresno Air Terminal, California	
Composite Base Engineer Maintenance/Telecommunications	2,300
Miramar NAS, California	
Site Preparation	1,200
Communications-Electronics Training	2,000
Automotive Maintenance/Support Equipment Shop	1,900
Phelps Collins Airport, Michigan	
Alter Training Site Dormitories	1,800
Selfridge ANGB, Michigan	
Composition Squadron Operations/Maintenance Control	2,200
Portland IAP, Oregon	
Telecommunications Center	750
Eastern West Virginia Regional Airport, West Virginia	
Add to Aircraft Parking Apron	1,900
	14,050

105TH GENERAL CONFERENCE—5 OCTOBER 1983

RESOLUTION NO. 65—SUBMITTED BY CALIFORNIA AND IOWA, RELATING TO DECREASING THE STATE'S SHARE OF ARMORY CONSTRUCTION COSTS

WHEREAS, The federal government is placing an ever increasing reliance on the National Guard as part of the nation's first line defense force; and

WHEREAS, This reliance requires that National Guard forces increase their personnel manning and readiness levels; and

WHEREAS, The current number of armories is inadequate to meet the expanding needs of the National Guard, especially in large states which are attempting to recruit personnel and establish units in smaller communities; and

WHEREAS, The criteria for new armory construction as contained in title 10, United States Code, section 2236, require that states provide 25 percent of the monies for construction cost; and

WHEREAS, The vast majority of states are experiencing severe financial difficulties, general unemployment, inflation and otherwise lack the necessary revenues to fund their 25 percent share of armory construction cost; now

THEREFORE, BE IT RESOLVED, That the National Guard Association of the United States, in General Conference assembled in Indianapolis, Indiana, this 5th day of October 1983, urges that legislation be enacted to amend title 10, United States Code, section 2236, to decrease the state's share of armory construction cost from 25 percent to 10 percent.

RESOLUTION NO. 66—SUBMITTED BY MICHIGAN, RELATING TO THE FUNDING FOR ADDITIONAL STORAGE FACILITIES

WHEREAS, Technological advances in TO&E equipment for all types of ARNG units have dramatically changed the quantity of equipment required to accomplish unit mobilization missions; and

WHEREAS, This increase in individual and unit equipment is absolutely essential to training and accomplishment of the units of that mission; and

WHEREAS, Present armories were designed and built under criteria standards for units with much less authorized individual equipment resulting in insufficient storage room to properly safeguard and store present equipment requirements; and

WHEREAS, The policy of storing each Army Guardsman's equipment at armories has created a significant increase in the storage problem; and

WHEREAS, Funding responsibility should not be borne by individual states for meeting Army requirement for storage and security of federal equipment and supplies used for mobilization; now

THEREFORE, BE IT RESOLVED, That the National Guard Association of the United States, in General Conference assembled in Indianapolis, Indiana, this 5th day of October 1983, urges the Congress to authorize 100 percent funding for the additional storage facilities required at armory or other ARNG locations to store and upgrade federal equipment to each unit. Additional storage facilities will be used only after use of existing storage facilities are filled to capacity and mobilization activities will not be impeded.

[Questions with answers supplied follow:]

QUESTION SUBMITTED BY SENATOR JOHN TOWER

BROOKE ARMY HOSPITAL

Senator **TOWER**. DOD has had a hold on the design of a new Army hospital at Fort Sam Houston, Texas for several years. What is the issue here and when will it be resolved?

ANSWER. There are in fact two major issues here:

Brooke Army Medical Center is only 20/30 minutes from Wilford Hall Medical Center and Regional Hospital, Lackland AFB. There are approximately 200 beds currently not being utilized at Wilford Hall. Therefore, the first issue is, what size hospital should Brooke AMC be?

Mission—The second issue is what mission should Brooke AMC perform? Should it be a teaching hospital, a tertiary care hospital or a station hospital?

Dr. William Mayer, M.D., Assistant Secretary of Defense (HA) anticipated that the size of Brooke AMC and its mission would be resolved by July 1984.

QUESTIONS SUBMITTED BY SENATOR STROM THURMOND

Senator **THURMOND**. The President has agreed to a reduction in the Defense budget of about $14 billion. Can you tell us what impact this reduction will have on the military construction budget?

ANSWER. The impact on military construction is not yet known. Details of the reduction are currently being worked out between the services and the staff of the Secretary of Defense.

Senator **THURMOND**. When can we expect to get the details of the reduction in the military construction budget?

ANSWER. We can't provide a specific date at this time. It will take a couple of weeks or so to work out the details.

CONSTRUCTION CONTRACTING—THE SMALL BUSINESS ISSUE

Senator **THURMOND**. In the January 1984 issue of CONSTRUCTOR magazine, the Association of General Contractors (AGC) published an article critical of the Defense Department's policy for contracting for construction with regard to small business set asides. A copy of that article will be placed in the record at this point. By letter, I asked the Secretary of Defense and the Administrator of Small Business to comment on the AGC article. A copy of my letter request to them will be placed in the record at this point. Neither DOD nor SBA has responded despite my request for a response by March 1, 1984. What is the status of the DOD response?

ANSWER. The response was signed by the Secretary of Defense on March 19, 1984.

Senator **THURMOND**. It is my understanding that SBA sets the size standards for what constitutes a "small business" in the construction industry. What is that current size standard?

ANSWER. A small business construction firm must average less than $17 million in annual gross revenues over a three year period.

Senator **THURMOND**. How many construction firms are there in the U.S.?

ANSWER. According to the Small Business Administration there are 1,176,135 construction firms in the U.S.

Senator **THURMOND**. What is the average size construction firm?

ANSWER. The Department does not have this information.

Senator **THURMOND**. How many construction firms are "small" firms under the SBA definition?

ANSWER. According to the Small Business Administration there are 1,173,413 small business construction firms in the U.S.

Senator **THURMOND**. As I understand your responses, some 99% of all construction firms are "small' according to SBA definition and when you set aside a project for "small" business you, in fact, set aside the project for 99% of all firms to bid on and 4,000 large firms can't bid. Just as in the case of architect-engineer firms, this appears to me to be a sham. The truly small firms, those trying to get a start, are forced to compete with what are really quite large firms—even though by SBA definition they are "officially" the name of small business, that in fact, hurts the truly small businesses and unfairly excludes the top 1 or 2 percent of the industry from bidding. Do you agree or disagree with my assessment?

Answer. The Department disagrees because in fiscal year 1983 large construction firms were awarded contracts for 32 percent of the Department's construction dollars. Very small firms do compete against large firms for projects set-aside for small business. However, we have no data to indicate that the very small firms are being hurt.

Senator **Thurmond.** Recognizing that SBA, and not DOD, is responsible for setting the small business size standard, have you tried to get SBA to amend their size standard for AE's and construction firms? After all, DOD has responsibility for a large percentage of the total Federal construction effort.

Answer. The SBA proposed a size standard of $21.5 million for construction firms to recognize the inflation which has taken place since the size standard was last changed. The Department concurred with the SBA proposal. Recognizing the special considerations affecting the AE industry, the DOD supports a reduced size standard for AE firms.

Senator **Thurmond.** If these questionable definitions of small business continue, the only way to help the truly small firms is to set an artificial ceiling on the size of projects that may be set aside—as was done in Section 796 of last year's Appropriation Act for AE's. Do you have the authority to set these ceilings? What are your intentions in that regard?

Answer. The Department does not have the authority to set such a ceiling since it would conflict with the Small Business Act. An artificial ceiling would not help the very small firms since 99 percent of the construction firms would still be small business firms. If the ceiling were too low, the large firms (1 percent of the industry) could receive more awards. They are now receiving 32 percent of the construction dollars.

CHILD CARE

Senator **Thurmond.** I notice you have several projects for child care centers in the request. Please list the projects requested.

Answer. There are 19 child care centers in the program totaling $26.2 million.

[The information follows:]

[In thousands of dollars]

Component/installation	Project	Cost
Army:		
Fort Richardson, AK	Child care center	$1,000
Oakland Army Base, CA	do	730
Presidio of San Francisco, CA	do	2,200
Fort Gordon, GA	do	2,000
Fort Stewart/Hunter AAF, GA	do	3,200
Aberdeen Proving Ground, MD	Chapel and child care center	[1] 4,950
Total child care centers—6		10,780
Navy:		
Marine Corps Base, Camp Pendleton, CA	Child care center	2,450
Naval Station Long Beach, CA	do	1,100
Naval Air Station Pensacola, FL	do	1,410
Naval Air Station Corpus Christi, TX	do	620
Total child care centers—4		5,580
Air Force:		
Norton AFB, CA	Add/Alter child care center	1,200
Travis AFB, CA	do	1,700
U.S. Air Force Academy, CO	do	400
McChord AFB, WA	do	1,250
Zweibrucken AB, Germany	Child care center	600
RAF Alconbury, U.K.	do	1,150
Florennes, Belgium	GLCM-child care center	770
Comiso, Italy	do	770
Total child care centers—8		7,770

[In thousands of dollars]

Component/installation	Project	Cost
Defense agencies:		
Defense Language Institute, Monterey, CA	Child care center	2,030
Grand total child care centers—19		26,160

[1] Child care portion—$1.65 million; Chapel—$3.3 million.

Senator THURMOND. Have you approached private enterprise to see if they would build and operate child care centers on military bases? Please provide for the record, some details as to costs, etc., for those cases studied.

ANSWER. Yes, the Military Services have evaluated proposals from proprietary child care operators in the United States.

A December 1981 study conducted for the Army by Boone, Young, and Associates determined that "if a contractor were to operate centers for the Army, the cost to users would be higher than if the Army was to operate the center." There are, however, several Army installations which are currently involved in commercial activity studies; and both profit and non-profit companies will have the opportunity to bid on these contracts if it is deemed cost effective. Based on the first six months of a Navy contract with J.E.T.S. Inc., to operate a child care center (government-built facility) at Kings Bay, Georgia, the Navy estimates that up to $150,000 additional annual costs to the government will be incurred over that normally provided to a government-operated center.

Major factors in a contractor's costs are amortization of buildings and equipment (if required to build as well as operate), taxes, and profit. Further, the contractor is not eligible for U.S. Department of Agriculture food subsidy or charitable donations. A contractor also finds it more difficult to attract volunteer workers that the military services use to enhance their programs. Most commerical operators hold down their costs by offering limited infant and toddler care and hourly (i.e., drop-in) care. They also restrict evening and weekend operations and provide food service that does not necessarily meet USDA standards. These cost-cutting measures cannot be achieved to the same degree on-base because of our requirement for quality care to meet the needs of a military community.

Senator THURMOND. As I understand it, the rates for child care on military bases are about 40 percent less on the average—than for comparable care in the civilian community. Is that accurate?

ANSWER.We have not surveyed our installations to compute an average differential between our rates and those in the civilian community. Our rates cover betwen 75 percent and 90 percent of our operating costs. A director's salary and utility and maintenance costs are provided with appropriations. We do not set fees to recover capitalization costs or to make a profit.

Senator THURMOND. Recognizing that it would be desirable to have lower rates for child care for military families, would you support a private enterprise approach for child care on military bases if the cost was 20 percent less than private off-base case? 10 percent less?

ANSWER. We are prepared to look at any proposals to reduce costs to our military families. Not-for-profit corporations or university-affiliated staffs may be a viable alternative in some locations for operating child care centers.

COMPETITION

Senator THURMOND. The military construction program is performed almost exclusively by publicly-advertised, competitively-bid contracting procedures. This is a major strength of this program—it guarantees the taxpayer the best return on his investment. Do you agree that construction contracts should be publicly-advertised, competitvely—bid to the maximum extent possible?

ANSWER. Yes, we fully agree.

Senator THURMOND. Does your office approve non-competitive awards above some threshold amount?

ANSWER. No. we do approve "Cost-Plus-Fixed-Fee" contracts larger than $25,000.

Senator THURMOND. Are you familiar with the circumstances surrounding a non-competitive award of $5 million for two projects at Fort Irwin, California?

ANSWER. Yes.

Senator THURMOND. In the Fort Irwin case, I am advised by staff that the Army did a poor job of engineering the projects and then compounded the problem by awarding two projects non-competitively. Competitive bidding at Fort Irwin had been producing bids that were less than the authorized amount. It is reasonable to assume that if these two projects had been bid competitively, that the cost would have been $1.5 million less than the $5 million that was authorized and awarded to the contractor on a non-competitive basis. Would you look into the Fort Irwin case and get back to me? I want to know, if there was faulty engineering, who was at fault and what actions have been taken? I also want to know why these projects weren't bid competitively.

Answer. We have looked into this situation. While there was a problem with these projects, there is a question as to how much money, if any, would have been saved since other projects in this troop housing complex, which were awarded competitively, ranged in cost from 90% to 99% of the programmed amount. For both competitive and negotiated contracts in this complex, the average was 95% of the programmed amount. It should be noted that subsequent contractor protests, regarding the non-competitive awards, were denied by the U.S. General Accounting Office. The Army looked into the issue very thoroughly and will be able to provide specific answers during the Army Military Construction hearing.

Senator **Thurmond.** I want to compliment you on your annual military construction report. It will be useful to the committee. You could enhance the use of that report if you would prepare a cover narrative for the report, which explain trends, anamolies and exceptions. Could you accomplish that for us in future reports?

Answer. Thank you. Yes, I would be glad to do so.

Senator **Thurmond.** I am particularly interested in the section of non-competitive awards. Please explain for the record, all non-competitive awards. I notice that you don't award competitively in Korea or Iceland—can't that be changed in the future?

Answer. In Part 9 of the annual report, column 6 is headed "Reason Contract Was Awarded on a Non-competitive Basis." Projects whose entry in this column is "SBA 8(a) Program" were awarded on a negotiated basis by the Small Business Administration to minority and disadvantaged contractors under the provisions of section 8(a) of the Small Business Act.

The contingency support project in Honduras was erroneously included in the report, since it is not funded by MILCON, but is a foreign military sales item.

In Korea, in order to prevent collusion, all contracts are executed via the controlled source selection procedure. We have been doing this through the source selection board since Oct 76. Our procurement agencies including the construction agents, have found that this method of contracting provides good products at a reasonable price.

In Iceland, our country-to-country agreement has required since 1954 that we use the Iceland Prime Contractor (IPC) for all defense force construction. The IPC is an entity set up especially to do this work, and it does no other work. It is made up of the Iceland general contractors, the government of Iceland, and other Icelandic capital. IPC has consistently performed well and met our dates.

Other entries are self-explanatory.

CEILING FOR SMALL BUSINESS SET-ASIDES IN ARCHITECT ENGINEER CONTRACTING

Senator **Thurmond.** Last year, we initially included a provision in our Military Construction Bill to establish a ceiling of $85,000 for contracts that could be set aside for "small" architect-engineer firms. This was done because the Defense Department's so-called "Rule of Two" was discriminatory against both the truly small AE firms, who had to compete with what were in fact quite large AE firms even though they were "small firms" under the SBA definition, and the top 200 firms, who were virtually eliminated from bidding on Defense design work. At the urging of the Defense Department, after being advised that the Department had instituted the $85,000 ceiling administratively, the provision was dropped from the Military Construction Bill. When the Defense Department subsequently reversed its position and did not institute the $85,000 ceiling, the legislative provision was reintroduced and included in the final Defense Appropriations Act for Fiscal Year 1984 as Section 796. Have you implemented the provisions of Section 796?

Answer. Yes, an official change to the Defense Acquisition Regulation was published on Jan. 18, 1984.

Senator **Thurmond.** Do you consider Section 796 to be permanent law to be implemented until it is amended or repealed?

Answer. No, Section 796 is as follows:

"Sec. 796. No funds appropriated for the Departments of Defense, Army, Navy, or the Air Force shall be obligated by their respective Secretaries for architectural and engineering services and construction design contracts for Military Construction projects in the amount of $85,000 and over, unless competition for such contracts is open to all firms regardless of size in accordance with 40 U.S.C. § 541, et seq."

As a legal matter we consider a provision contained in an annual appropriations act to not be permanent legislation unless the language contains words of futurity or otherwise renders it clear that such was the intention of the Congress. Our analysis is based, *inter alia*, upon various decisions of the Comptroller General that have reviewed this question. A discussion of this point is contained in Section 2.F.(5) of the June 1982 edition of *Principles of Federal Appropriations Law*, published by the Office of General Counsel, U.S. General Accounting Office.

[The information follows:]

(5) General Provisions: When Construed As Permanent Legislation

Appropriation acts, in addition to making appropriations, frequently contain a variety of restrictions on the availability of the appropriations. They come in two forms: (a) "provisos" attached directly to the appropriating language, and (b) general provisions. A general provision may apply solely to the act in which it is contained ("No part of any appropriation contained in this Act shall be used * * *"), or it may have general applicability ("No part of any appropriation contained in this or any other Act shall be used * * *"). Such a restriction is no less effective merely because it is contained in an appropriation act. *E.g., United States* v. *Dickerson*, 310 U.S. 554 (1940). General provisions may also be phrased in the form of positive authority rather than restrictions on the use of appropriations.

As noted earlier in this Chapter, rules of both the Senate and the House of Representatives prohibit "legislating" in appropriation acts. However, this merely subjects the provision to a point of order and does not affect the validity of the legislation if the point of order is not raised, or is raised and not sustained. Thus, once a given provision has been enacted, the question of whether it is "general legislation" or merely a restriction on the use of an appropriation, *i.e.*, whether it might have been subject to a point of order, is academic and largely immaterial.

This subsection deals with the question of when general provisions can be construed as permanent legislation.

Since an appropriation act is made for a particular fiscal year, the starting presumption is that everything contained in the act is effective only for the fiscal year covered. Thus, the rule is: *A provision contained in an annual appropriation act is not to be construed to be permanent legislation unless the language used therein or the nature of the provision renders it clear that such was the intention of the Congress*, but when the word "hereafter" or other words indicating futurity are used or when the provision is of a general character bearing no relation to the object of the appropriation, the provision generally has been construed to be permanent legislation. 7 Comp. Dec. 838 (1901); 5 Comp. Gen. 810 (1926); 10 Comp. Gen. 120 (1930); 24 Comp. Gen. 436 (1944); 32 Comp. Gen. 11 (1952); 36 Comp. Gen. 434 (1965).

It follows that a proviso or general provision that does not contain words of futurity will generally not be construed as permanent. 3 Comp. Gen. 319 (1923); 5 Comp. Gen. 810 (1926); 10 Comp. Gen. 120 (1930); 20 Comp. Gen. 322 (1940); 32 Comp. Gen. 11 (1952); A-18614, May 25, 1927; *Minis* v. *United States*, 40 U.S. (15 Pet) 423 (1841); *United States* v. *Vulte*, 233 U.S. 509, 514 (1914); *NLRB* v. *Thompson Products, Inc.*, 141 F.2d 794, 798 (9th Cir. 1944); *City of Hialeah* v. *United States Housing Authority*, 340 F. Supp. 885 (S.D. Fla. 1971).

As noted, the crucial factor is the language of the particular provision, *i.e.*, whether it contains "words of futurity." The most common "word of futurity" is "hereafter" and provisions using this term will usually be construed as permanent. 26 Comp. Gen. 354, 357 (1946); 2 Comp. Gen. 535 (1923); B-108245, March 19, 1952; B-100983, February 8, 1951; B-76782, June 10, 1948.

However, words of futurity other than "hereafter" have been deemed sufficient. Thus, there is no significant difference in meaning between "hereafter" and "after the date of approval of this Act." 36 Comp. Gen. 434 (1956). In 24 Comp. Gen. 436 (1944), the words "at any time" were viewed as words of futurity in a provision which authorized reduced transportation rates to military personnel who were "given furloughs at any time." In that decision, however, the conclusion of permanence was further supported by the fact that Congress appropriated funds to carry out the provision in the following year as well, merely referring to the provision rather than repeating it.

The words "or any other act" in a provision restricting the expenditure of appropriations "contained in this or any other act" were held to be sufficient words of futurity in 26 Comp. Dec. 1066 (1920). However, a later decision viewed the effect of the words "or any other act" as inconclusive. B-37032, October 5, 1943. In *Norcross* v. *United States*, 142 Ct. Cl. 763 (1958), a general provision barring the payment of compensation to certain non-citizens which contained the words "this or any other Act" but which was preceded by the words "during the current fiscal year" was held applicable only to the funds of that year. In A-88073, August 19, 1937, a proviso restricting the use of funds provided in "this or any other appropriation" was held not to contain words of futurity and was therefore not permanent legislation. See also 18 Comp. Gen. 37, 38 (1938). More recently, GAO considered a restriction on the use of funds "appropriated in this or any other act" and concluded that the words "or any other act" did not indicate futurity but merely referred to other appropriation acts for the same fiscal year. B-145492, September 21, 1976. Since the cases are not definitive, it appears that the effect of an appropriation act restriction using the words "this or any other act" cannot be determined solely on the language used. The various other factors discussed below would have to be taken into consideration.

Other factors may also be taken into consideration. Thus, the repeated inclusion of a provision in annual appropriation acts indicates that it is not considered or intended by Congress to be permanent. 10 Comp. Gen. 120 (1930); 32 Comp. Gen. 11 (1952); A-89279, October 26, 1937. However, where adequate words of futurity exist, the repetition of a provision in the following year's appropriation act has been viewed simply as an "excess of caution." 36 Comp. Gen. 434 (1956). This factor is of limited usefulness, since the failure to repeat in subsequent appropriation acts a provision which does not contain words of futurity can also be viewed as an indication that Congress did not consider it to be permanent and simply did not want it to continue. *Cf.* 18 Comp. Gen. 37 (1938). Thus, if the provision does not contain words of futurity, repetition or non-repetition lead to the same result—that the provision is not permanent. If the provision does contain words of futurity, non-repetition indicates permanence but repetition, although it suggests non-permanence, is inconclusive.

The inclusion of a provision in the United States Code is relevant as an indication of permanence but is not controlling. 36 Comp. Gen. 434 (1956); 24 Comp. Gen. 436 (1944). Failure to include a provision in the Code would appear to be of no significance.

Legislative history is also relevant, but has been used for the most part to support a conclusion based on the presence or absence of words of futurity. See B-108245, March 19, 1952; B-57539, May 3, 1946; *NLRB* v. *Thompson Products, Inc., supra.* In B-192973, October 11, 1978, a general provision requiring ths submission of a report "annually to the Congress" was held not permanent in view of conflicting expressions of congressional intent.

The degree of relationship between a given provision and the object of the appropriation act in which it appears or the appropriating language to which it is appended is a factor to be considered. If the provision bears no direct relationship to the appropriation act in which it appears, this is an indication of permanence. The closer the relationship, the less likely it is that the provision will be viewed as permanent. See 26 Comp. Gen. 354, 357 (1946); 32 Comp. Gen. 11 (1952); B-37032, October 5, 1943; A-88073, August 19, 1937.

Finally, the phrasing of a provision as positive authorization rather than a restriction on the use of an appropriation is an indication of permanence, but usually has been considered in conjunction with a finding of adequate words of futurity. 24 Comp. Gen. 436 (1944); 36 Comp. Gen. 434 (1956). A provision was held permanent in 9 Comp. Gen. 248 (1929) although it contained no words of futurity because it was to become effective on the last day of the fiscal year and an alternative construction would have rendered it effective for only one day, clearly not the legislative intent. An early decision, 17 Comp. Dec. 146 (1910), held a proviso to be permanent based solely on the fact that it was not phrased as a restriction on the use of the appropriation to which it was attached, but this decision seems inconsistent with the weight of authority and certainly with the Supreme Court's decision in *Minis* v. *United States, supra.*

In sum, the additional factors mentioned above are all relevant as indicia of whether a given provision should be construed as permanent. However, the presence or absence of words of futurity remains the crucial factor, and the additional factors have been used for the most part to support a conclusion based primarily on this presence or absence.

Senator THURMOND. What is your position on Section 796?

ANSWER. Section 796 required us to readvertise some 300 contracts which had previously been advertised as small business set-asides. This loss of time may effect the status of design of some of our 1986 projects when they are presented to the Congress next year. Our field officers are working diligently to make up this lost time and will be successful in most cases. Beyond the initial turbulence resulting from the change we do not believe Section 796 will have any effect on our ability to carry out our construction program successfully. However the effect of the $85,000 ceiling on the DOD Small Business program is another matter which will not be known for several months. What is known is that set-asides in this industry in support of DOD requirements have virtually ceased. The DOD has and continues to oppose the establishment of small business set-aside ceilings on any class of supplies or services in legislation. We believe that this problem should be addressed by the SBA by the level at which they establish the small business size standard in each industry.

Senator THURMOND. Section 806 of PL 98-115, last year's Military Construction Authorization Act, required the Secretary of Defense to submit a report on the AE set-aside situation. What is the status of the report?

ANSWER. The report is complete and was forwarded to the Congress on the 19th of March.

Senator THURMOND. Please place an executive summary of the Section 806 report in the record at this point. What are the key findings?

ANSWER. In summary the key findings of the report are:

DOD's current implementation of set-asides in support of small business is statutorily authorized and correctly implemented through the Defense Acquisition Regulation.

DOD's implementation of the set-aside program has been supported by the courts and the GAO.

Quality performance of our requirements is not jeopardized by our current procedures, nor is mobilization readiness impaired.

The establishment of a "reasonable threshold amount" will not result, in our view, in "reasonable share distribution." We believe that an appropriate size standard will accomplish that objective.

Based on our consultations, a reduced size standard is indicated for this industry.

WORLD WAR II BUILDINGS

Senator THURMOND. I noted with interest your response to the committee's direction to get rid of World War II buildings. The Navy and the Air Force seem to have taken us seriously. The Army, however, has plans to keep 19,000 World War II buildings after 1990. Are you in agreement with the Army plan.

ANSWER. Yes. Army plans to tear down 9,000 buildings—about 3 times more than Navy and Air force combined.

Senator THURMOND. These old buildings are a tremendous drain on your O&M dollars. They cannot be made cost efficient. They should be torn down immediately. I know that post commanders don't like to tear down these buildings—they want to give them to the parachute club or the drama group. Can't you get tough with them and get these junk buildings torn down?

ANSWER. A lot of these buidlings are being used for mission essential purposes. It would require an enormous investment to replace them.

Senator THURMOND. I am considering an amendment to this year' bill to require the services to tear down one square foot of World War II building for every square foot of new construction that is added to the inventory. Would you support such an approach and assist us in drafting an amendment?

ANSWER. I believe that is an unwise approach; only a portion of new construction is for replacement. The rest is for new weapons systems which is additive to the total requirement. Accelerating the Army's current WW II replacement plan would only increase the current facility problem. We feel the current Army plans given the resouces available will make a significant dent in replacing WW II facilities.

SCHOOLS

Senator THURMOND. Dr. Korb, the situation with regard to the schooling of military dependents seems quite confused. In the past, the Department of Education and it's predecessor organizations have taken care of budgeting for all the costs associated with educating military dependents. But beginning in FY-82, DOD assumed budgeting responsibility for so-called "Section 6" schools; there are 18 bases where you have Section 6 Schools (including Fort Jackson and Beaufort Air Station in South Carolina) and some 33,000 dependent children are involved. How much money is in your budget to operate and maintain these "Section 6" schools?

ANSWER. There is a total of $105.196 million in the FY-84 budget to operate and maintain the Section 6 Schools.

Senator THURMOND. In this construction request, you are asking for money for the first time, to replace or make additions to these "Section 6" schools. How much is in this request and what is the total construction cost to fix all of your "Section 6" schools?

ANSWER. There is a total of $53.4 million included in the FY 1985 request for the renovation or replacement of Section 6 schools. We estimate a total of $157.3 million construction cost for FY 1985-89.

Senator THURMOND. Most stateside dependent school children are in schools operated by local school districts. The Department of Education budgeted for "impact funds," and pays these funds to local school districts. How much is in the Department of Education budget for FY-85 for impact funds for military children that are in public schools?

ANSWER. The President's FY-85 budget for impact aid is $506.630 million. Of this amount, $476.630 is for Section 3 category A students—those living on federal property and whose parents work on federal property. Of this amount, $274.740 million is estimated by the Department of Education to be for military category A students.

Senator THURMOND. As a matter of policy, who should be responsible for accomplishing the education of military dependents?

ANSWER. As a matter of policy, the local school agencies should be responsible for the education of all children residing within their jurisdiction. The military dependent children are entitled to a free public education.

Senator THURMOND. As a matter of policy, who should be responsible for paying the costs associated with the education of military dependents?

ANSWER. Section 505(c) (2) and (3) of Public Law 97-35 states:

"(2) Funds appropriated to the Department of Defense shall be available to the Secretary of Defense for payments and arrangements of the kind that may be made by the Secretary of Education under section 6 of the Act of September 30, 1950 (Public Law 874, 81st Congress).

(3) The Secretary of Defense shall delegate to the Secretary of Education responsibility for the conduct of programs with funds so available."

This law gives both the Department of Education and the Department of Defense the authority to expend money for the education of military dependents.

However, in paragraph 2 of the 1982 Memorandum of Understanding, the Department of Education cedes this authority to the Department of Defense.

As a matter of policy, the Department of Defense thus accepted the responsibility for paying the costs associated with the education of military dependents.

Senator THURMOND. What is the DOD policy with regard to increasing the number of installations that have "Section 6" schools, operated by the military?

ANSWER. The Department of Defense has no plans to increase or add to the number of installations that have Section 6 Schools which are operated by the military.

Senator THURMOND. What is DOD policy with regard to transferring existing "Section 6" schools to local school districts?

ANSWER. The policy for transferring Section 6 Schools to local school districts is contained in Public Law 81-874. Basically, before a Section 6 School can be transferred to the local school district, full agreement to do so must be reached by the state educational officials, the local school officials, and the Secretary of Defense. The Department of Defense would transfer Section 6 Schools to the local schools if full agreement could be reached as required by Public Law 81-874.

Senator THURMOND. Why haven't you transferred "Section 6" schools to local school districts in recent years?

ANSWER. Under P.L. 81-874, "Financial Assistance to Schools in Federally Affected Areas," the transfer of Section 6 Schools to local school districts can be made if the local school superintendent, the State superintendent, and the Secretary of Defense agree to such a transfer. Section 6 Schools have not been transferred to local school districts in recent years because the military services have not found it in the best interest of the dependent children or because local school officials have found that: (1) existing Section 6 school facilities do not meet State standards, (2) the tax revenues of the State or school jurisdiction cannot be used to educate dependent children of military personnel residing on federal property, and (3) they themselves (local school districts) are experiencing financial difficulties and do not want the additional responsibilities.

Senator THURMOND. The Army built classrooms at Fort Irwin using DOD Section 6 O&M funding. I asked GAO to look into this project because there was no authority for this project in the Army military construction bill. GAO prepared a Fact Sheet and a series of questions that I shall insert in the record at this point and ask that you respond to. What authority did you use to build these classrooms at Fort Irwin?

Answer. Section 709(k) of P.L 97-377 (Continuing Resolution for 1983) gave DOD the authority to use O&M funding for the construction of the classrooms at Fort Irwin. This law was passed on December 21, 1982. On April 6, 1983, the Army requested approval from the Department of Education for the temporary, portable classrooms. Education approved the project with the stipulation that DOD funding be used and that the project be approved by the ROFEC (Regional Office Facilities Engineers—Construction, HHS) and the California State Department of Education for compliance with State standards for portables.

Senator **Thurmond.** Based on the procedures used at Fort Irwin, do you feel that you have the authority to build schools at any military installation using DOD Section 6 O&M funds?

Answer. No, it depends on the type of construction and amount of money involved. DOD has the authority to use O&M funds for unspecified minor construction up to $200,000. Projects costing over $1 million fall under the category of major construction and must be included in an annual MILCON Program for funding and approval.

Senator **Thurmond.** For the first time you are proposing to spend construction funds on Section 6 Schools at installations? Why?

Answer. The DOD Appropriations Acts of FY 1983 and FY 1984 provided the Secretary of Defense the authority to lease, construct, renovate, and remodel Section 6 schools. These schools, under the Department of Education, were neglected over the years.

Senator **Thurmond.** Would the Department support transferring its Section 6 schools to the local school districts, if the school construction could be completed and the local school districts would agree to take them over?

Answer. Yes, if the local school districts were willing and capable of providing free public education.

Senator **Thurmond.** At any of the 18 installations where you have Section 6 schools, are the public school districts incapable of providing an "adequate" public education?

Answer. The local school districts are capable of providing an adequate public education. The one exemption, however, is in Puerto Rico, where the public schools teach in Spanish. The main reason for the local schools not providing education to military dependents residing on federal property is because no state or local tax revenues can be used to provide the education.

Senator **Thurmond.** Who will be the construction agent in the proposed schools construction?

Answer. The Army Corps of Engineers is the construction agent on all but one of the Section 6 school projects in the FY 1985 program. The project at Maxwell AFB, Alabama, is being handled by the Civil Engineer Squadron at that installation.

Senator **Thurmond.** DOD/Army erected ten (10) portable classroom at Ft. Irwin with P.L. 81-874 operation and maintenance funding, citing Section 709(k) of P.L. 97-377 (Continuing Resolution for 1983) as authority. P.L. 97-377 was not passed until December 21, 1982. The Ft. Irwin project was being planned prior to the passage of P.L. 97-377. What funding would DOD/Army have used if Section 709(k) had not been included in the Act?

Answer. DOD would not have approved the use of any funds since we would not have had the legal authority to fund the project.

Senator **Thurmond.** What was the total cost of the Ft. Irwin project?

Answer. Initially, the Army's request for the Ft. Irwin project was approved for $300,000 of O&M funds. Subsequent to this approval, the Army spent an additional $476,840 of their Section 6 Schools FY 1983 O&M funds to bring the total cost of the project to $776,840.

Senator **Thurmond.** DOD/Army erected ten (10) portable classrooms at Ft. Irwin with P.L. 81-874 operation and maintenance funding, citing Section 709(k) of P.L. 97-377 (Continuing Resolution for 1983) as authority. P.L. 97-377 was not passed until December 21, 1982. How many other construction projects has DOD undertaken utilizing the P.L. 97-377 authority? List the DOD projects which have been funded with P.L. 81-874 money since the Omnibus Budget Reconciliation Act of 1981 was passed, including date, program amount and CWE.

Answer. DOD has not undertaken any other projects utilizing the P.L. 97-377 authority. DOD is requesting for the first time under Section 10 authority of P.L. 81-815 funds for 12 projects in the FY 1985 MILCON program.

SECTION 6 SCHOOLS

Senator **Thurmond.** The Department of Education turned down the Silver Valley Unified School District's request for a new school because of a lack of available funding and because information at Education indicated that the school district had space in excess of its needs to educate the children in the district. What is DOD's justification for providing the classrooms when excess capacity exists in the school district?

Answer. Ft. Irwin was left with three alternatives after being turned down by the Department of Education for a new school: (1) to bus the Ft. Irwin pupils to Yermo (where excess capacity existed) for an additional cost of three buses ($285,000) and seven new teachers—round trip mileage to Yermo is about 75 miles, (2) to double sessions at Ft. Irwin for an additional cost of seven new teachers, or (3) add seven portable classrooms at Ft. Irwin for the additional cost of seven new teachers and the portable classrooms.

After considering these alternatives and their related cost, Army submitted a request for the additional classrooms to the Department of Education. The Department of Education approved the request, but lacked the funds to construct the portable classrooms.

Since the additional classrooms would be less expensive then busing the students to Yermo, DOD provided the additional classrooms requested for Ft Irwin.

Senator **Thurmond.** The Department of Education turned down the Silver Valley Unified School District's request for a new school because of a lack of available funding and because information at Education indicated that the school district had space in excess of its needs to educate the children in the district. When will permanent facilities be requested and does DOD still plan to seek special legislation for that purpose?

Answer. Since this is not a school system maintained by DOD, any request by the Silver Valley Unified School District for permanent facilities would have to be addresed to the Department of Education for approval and funding. DOD does not plan to seek any special legislation for the construction of permanent school facilities at Fort Irwin.

Senator **Thurmond.** The Department of Education turned down the Silver Valley Unified School District's request for a new school because of a lack of available funding and because information at Education indicated that the school district had space in excess of its needs to educate the children in the district. Is DOD/Army planning any additional new schools at other locations? If so, how many and where? What authority will be used to construct new schools?

Answer. DOD's first effort to build new facilities in addition to existing facilities are included in the FY 1985 MILCOM Program. In the outyears, DOD plans to renovate, make additions to, and construct new schools in the locations where Defense is responsible for operating Section 6 Schools.

Senator **Thurmond.** The Department of Education uses the Regional Office of Facility Engineers and Construction (ROFEC) of the Department of Health and Human Services when it constructs or does major repairs or alterations to schools. ROFEC personnel work directly with state education departments and have acquired an expertise in engineering, designing and supervising construction of school facilities which meet state and Department of Education standards. ROFEC provides these services without additional charge, whereas the Corps of Engineers charged about $60,000 for the classrooms. The Corps of Engineers have expertise in designing and constructing facilities to meet military standards but does not appear to be generally involved in the building of education facilities for children. Since the Ft. Irwin classrooms were to be used to educate dependent children, why didn't DOD/Army use the ROFEC?

Answer. In response to a request from the Army for approval of this project, the Department of Education (DEd) letter dated April 1983, specified the use of ROFEC in accordance with applicable DEd regulations. Funds for this project were provided to Ft. Irwin via Form 2544 (Intra-Army Order for Reimbursable Services). Therefore it appears, because this form was used to provide the funds, Ft. Irwin assumed the Army Corps of Engineers should perform these services.

Senator **Thurmond.** The Department of Education uses the Regional Office of Facility Engineers and Construction (ROFEC) of the Department of Health and Human Services when it constructs or does major repairs or alterations to schools. ROFEC personnel work directly with state education departments and have acquired an expertise in engineering, designing and supervising construction of school facilities which meet state and Department of Education standards. ROFEC provides these services without additional charge, whereas Corps charged about $60,000 for the classrooms. The Corps of Engineers have expertise in designing and constructing facilities to meet military standards but does not appear to be generally involved in the building of education facilities for children. How many Section 6 Schools projects has ROFEC carried out for DOD and how many has the Corps of Engineers carried out?

Answer. FY 1985 is the first time that DOD is requesting military construction funds under authority of Section 10 of Public Law 81-815. Section 10 authority was given to the Secretary of Defense in the FY 1983 and FY 1984 DOD Appropriations Act.

ROFEC has not carried out any construction projects for DOD since authority was given to the Secretary of Defense.

The Corps of Engineers for the Army will carry out all of the FY 1985 projects, except the one at Maxwell Air Force Base. The Air Force Civil Engineer Squadron at Maxwell will handle the project at that installation.

Senator **Thurmond**. The Air Force has no construction capability. Why is DOD permitting the Air Force to manage the project at Maxwell AFB?

Answer. Section 2851, P.L. 97-214 provides that the Secretary of Defense may approve other than normal construction agents to assure the "most efficient, expeditious and cost-effective completion of the project." In our directive 4270.5, implementing Sec. 2851, we provide for the Air Force to design and construct under its own supervision projects which "Involve extensive alteration or modification of existing facilities with the requirement for continuing operation of the facility during construction. The magnitude and nature of the work must be similar to that normally underaken by base civil engineer forces for Air Force operations and maintencance (O&M) projects . . ." The Maxwell project is a $1.7 million project of which approximately half is a separate building and half an addition to the existing building, which cannot be closed during construction. In addition, Maxwell AFB is itself a "school" and the personnel there are familiar with school construction and alteration projects. For these reasons, in addition to the small size of the project, accomplishment of this project by Maxwell AFB personnel will prove efficient, cost-effective and expeditious.

Senator **Thurmond**. The laws giving DOD the right to carry out the Ft. Irwin project did not provide the Secretary of Defense with responsibility of making rules and regulations for carrying out the program. What rules and regulations was the Army operating under when constructing the classrooms at Ft. Irwin?

Answer. Army was operating under the guidelines established by the Department of Education.

Senator **Thurmond**. The laws giving DOD the right to carry out the Ft. Irwin project did not provide the Secretary of Defense with responsibility of making rules and regulations for carrying out the program. If you operated under DOD regulations, presumably this was handled as an unspecified minor construction. Section 2805(2) (a) and (b) of P.L. 97-214 requires that the appropriate committees of Congress be notified in writing of such projects. Was this done? If not, why not?

Answer. No, this wasn't done for Ft. Irwin. Since the facilities at Ft. Irwin were to be temporary, portable, relocatable facilities, it was determined that O&M funds could be used to construct the facilities. Section 2807 of P.L. 97-214 requires the reporting to the appropriate congressional committees when the cost of A&E work for a project exceeds $300,000. The A&E work for Ft. Irwin did not exceed this amount.

Senator **Thurmond**. The laws giving DOD the right to carry out the Ft. Irwin project did not provide the Secretary of Defense with responsibility of making rules and regulations for carrying out the program. If the Army operated under Department of Education rules, the Secretary of Education must approve any contract changes in excess of $15,000. Why were change orders #1 and #2 issued without Education's approval?

Answer. The two change orders were issued without reference to the Department of Education because of lack of familiarity within the Army of the Department of Education rules. The situation that led to the error is being corrected.

Senator **Thurmond**. The laws giving DOD the right to carry out the Ft. Irwin project did not provide the Secretary of Defense with responsibility of making rules and regulations for carrying out the program. Should the legislation be changed to clearly state that all such projects be transmitted to the appropriate Congressional Committees for approval? Explain.

Answer. The Department of Defense believes that the current legislation is adequate. The two change orders at Fort Irwin were carried out by the Army because of lack of familiarity within the Army of Department of Education rules.

Senator **Thurmond**. The Master Plan for Ft. Irwin includes buried utility lines. The classrooms are complete, however, the original contract scope was changed such that the high tension electric cables were left over the classrooms instead of buried as originally planned. Why were the classrooms put under these cables instead of near the permanent school? Explain.

ANSWER. Ft. Irwin was advised by HQDA to place these classrooms on the same property where the permanent school is located. The decision to locate these schools under the cables was made by Ft. Irwin. This decision was made without the knowledge or approval of HQDA.

Senator THURMOND. The Master Plan for Ft. Irwin includes buried utility lines. The classrooms are complete; however, the original contract scope was changed such that the high tension electric cables were left over the classrooms instead of buried as originally planned. Who would be liable if something would happen to the children in these classrooms? ~~Explain.~~

ANSWER. Under the Federal Tort Claims Court, the children (probably acting through their parents) could file administrative claims with the Department of the Army. If a claim is denied in whole or in part, the claimant could then bring suit in a federal district court of competent jurisdiction. The Government's liability would depend upon the circumstances of the accident, and would be determined under the law of the state (California) when the accident occurred.

Senator THURMOND. The Master Plan for Ft. Irwin includes buried utility lines. The classrooms are complete, however, the original contract scope was changed such that the high tension electric cables were left over the classrooms instead of buried as originally planned. Since Section 6 education money was used to construct the classrooms and the SVUSD owns the permanent school, who owns the classrooms? Explain.

ANSWER. The classrooms are the property of the Department of Defense. They are located on Army property and they are not under the jurisdiction of the Silver Valley Unified School District. However, there is on-going coordination between DOD and DEd to alleviate this problem.

Senator THURMOND. The Master Plan for Ft. Irwin includes buried utility lines. The classrooms are complete, however, the original contract scope was changed such that the high tension electric cables were left over the classrooms instead of buried as originally planned. What are the Army's plans to comply with the Master Plan for Ft. Irwin and bury these cables?

ANSWER. Ft. Irwin has completed design to move the overhead cables away from the portable classrooms. This design does not call for burying the cables. FORSCOM has sent the necessary funds to FT. Irwin to accomplish this task. We understand that the cost for this project is about $120,000.

BASE CLOSURES

Senator THURMOND. From time to time officials in the Defense Department complain that there are legislative roadblocks to base closures or realignments. These officials claim that savings are possible if some base closures or realignments could be carried out. Do you agree with this thesis?

ANSWER. Yes, we do agree with this thesis.

Senator THURMOND. What are the specific legislative provisions that make if difficult for you to close or realign military bases?

ANSWER. Public Law 95-82, Title 10, USC 2687.

Senator THURMOND. Would you support the repeal of these provisions?

ANSWER. Yes, we would support the repeal of these provisions.

Senator THURMOND. If they were repealed, what are the estimated savings that might be realized?

ANSWER. We don't know, we haven't spent our time working on the detailed analysis that would have so little chance of being implemented.

Senator THURMOND. Are you in a position to implement base closures and realignments quickly, if these provisions are repealed?

ANSWER. No, we still must follow the provisions of the National Environmental Policy Act.

Senator THURMOND. Can you furnish us with a list of base closures and realignments that you would pursue, if there were no legislative impediments?

ANSWER. We do not maintain a list of bases to close or realign and we have no knowledge of any current list maintained by the services and we have no knowledge of the proposed closures referred to in recent newspaper articles. The realignment/closure study process is a time consuming, costly, and extremely emotional procedure that is only undertaken when a valid cost benefit is evident. Major base realignment/closure cost savings in the past have been a result of force reductions.

PROJECTS WITH SAVINGS

Senator **Thurmond**. For the past two years, we have included separate sections under each Service Title in the Military Construction Act to authorize certain projects to be accomplished only with savings that might accrue due to the favorable bidding climate in the construction industry. Do you expect to be able to award these "savings projects" that were authorized in FY 83 and FY 84?

Answer. Yes. The savings are sufficient to fund these authorized projects.

Senator **Thurmond**. The concept of authorizing projects to be accomplished with "savings" has appeal to the Committee because it builds an incentive into the bill for the services to pursue savings. Do you support this approach of authorizing projects to be accomplished only with savings if such savings are realized?

Answer. Yes. We also believe that such authorizations provide an incentive for the services to pursue savings.

Senator **Thurmond**. Based upon recent bid experience, do you anticipate that there may be additional savings associated with the FY 84 and FY 85 program? If so, how much?

Answer. We have achieved some savings in the FY 84 program. A portion of the savings will be used to fund projects authorized but not appropriated by the Congress and for other reprogramming actions. However, we may still have savings available at the end of FY 84. We do not expect savings in the FY 85 program because the cost estimates were adjusted to reflect the present economy.

DAVIS BACON

Senator **Thurmond**. I have tried on two occasions in the past to waive the provisions of the Davis-Bacon Act as it applies to military construction. The last time was in the summer of 1981 when my amendment was defeated by a vote of 55–42. At that time I predicted that the unions would tie up in the courts the implementation of some administrative revisions that the Labor Department was pursuing. I understand that the Supreme Court has finally cleared the last impediment and the administrative revisions will take effect shortly. I notice that in your statement you have "assumed" that Davis-Bacon reforms will be fully implemented. Where exactly does this issue stand?

Answer. The regulation which bases the prevailing rate on the wages received by 50 percent of the workers, rather than 30 percent, was effective July 28, 1983. The other regulations, which have a greater impact on Davis-Bacon wage rates, cannot take effect until the District Court lifts its injunction against their use. These regulations will exclude Federal work from the wage surveys, exclude rates paid in nearby urban areas when figuring rural rates, and permit additional use of unskilled and semi-skilled workers. Because of the recent supreme court action, we anticipate that the district court will lift the injunction soon.

There are over 3000 counties in which surveys must be accomplished to determine Davis-Bacon wage rates based on the reforms. The Department of Labor has been conducting approximately 300–400 surveys each year. So, it will take some time to realize the full benefit of the reforms, even if the survey rate is increased. We expect the first surveys to be in those areas where the impact of the reforms will be the greater. Therefore, we believe significant savings will occur in Fiscal Year 1985, and we reduced our budget request in anticipation of these savings.

Senator **Thurmond**. In pricing your projects, how much of a reduction have you made as a result of assumed Davis-Bacon reforms—how much per project (%) and how much for the total bill?

Answer. The reduction will vary from project to project because it will depend on the results of the wage surveys for each location, and the type and amount of labor involved. Our analysis indicated that the average reduction should be about 2 percent per project in the United States. Therefore, we reduced the program by about $100 million.

Senator **Thurmond**. Do these reforms take all the Davis-Bacon cost from your estimates or will you still have to increase your estimates to take account of residual Davis-Bacon effects? Can you give us an order-of-magnitude estimate of the Davis-Bacon cost that will remain even if these reforms are implemented?

Answer. We estimate that the remaining Davis-Bacon requirements add 2–3% to our construction costs in the U.S.

Senator **Thurmond**. Would you support an amendment to waive *all* provisions of the Davis-Bacon Act as they apply to military construction?

Answer. No. The Administration supports the administrative reforms developed by the Department of Labor.

SALE OR EXCHANGE OF DEFENSE PROPERTY

Senator **Thurmond**. Last year, in Section 807 of the Military Construction Authorization Act, we include the general authority for you to sell DOD land and to use the sole proceeds to build replacement facilities. Where do you stand with regard to the implementation of this purpose?

Answer. Since the law was not passed until late in the budget submission process, the Services were unable to include their candidate projects in the FY 85 bill, however, they do have a number of possible candidates that they are now studying. Design funds were made available.

Senator **Thurmond**. I note that you have *not* included any proposals in your FY 85 request to implement Section 807. Can you give me some examples where you might apply this authority?

Answer. There are three projects that are good examples: (1) Arlington Hall Station, Virginia; (2) a 130 acre parcel of land at the Naval Supply Center Pearl Harbor; and (3) a 2,200 acre parcal at March AFB, California.

Senator **Thurmond**. Could any of your proposals be accelerated for inclusion in the FY 85 bill?

Answer. Yes—all three projects.

Senator **Thurmond**. Please provide the necessary draft legislation to implement these proposals.

Answer. Draft legislation is as follows:

Sale and replacement project, Army

SEC. 104. The Secretary of the Army, purusant to section 2667a of title 10, United States Code, is authorized to carry out a sale and replacement project that includes the construction of replacement facilities for the U.S. Army Intelligence and Security Command at Fort Belvoir, Virginia, for the sum of $29,000,000, the relocation of activities displaced by the sale of Arlington Hall Station, and the sale of the land and facilities comprising Arlington Hall Station, Virginia.

Sale and replacement projects, Navy

SEC. 205. The Secretary of the Navy, pursuant to section 2667a of title 10, United States Code is authorized to carry out two sale and replacement projects at the Naval Supply Center, Pearl Harbor, Hawaii, that includes the construction of facilities to replace the Manana Storage Complex for the sum of $25,000,000, the construction of facilities to replace the Pearl City Junction Warehouse Complex for the sum of $5,000,000, the relocation of all activities displaced by the sale of the Manana Storage Complex and the Pearl City Junction Complex, the sale of the land and facilities comprising the Manana Storage Complex and, the sale of the land and facilities comprising the Pearl City Junction Complex.

Sale and replacement project, Air Force

SEC. 304. The Secretary of the Air Force, pursuant to section 2667a of title 10, United States Code, is authorized to carry out a sale and replacement project that includes the construction of replacement facilities for the sum of $12,600,000, the relocation of displaced activities, and the sale of land and facilities comprising approximately 2,200 acres of land at March Air Force Base, California.

WATER POLLUTION CONTROL PROJECTS

Senator **Thurmond**. I notice in your prepared statement that you have completed 79% of your required water pollution control projects. How much have these projects cost?

Answer. The 79% figure refers to the percentage of major wastewater discharge sources in full compliance with all applicable standards. This is based on self-assessments by our installation engineers. We have completed water pollution control projects costing $1,016 million and we have funded an additional $273 million in projects under construction as of the end of FY 1983.

Senator **Thurmond**. How long will it take you to program the completion of your remaining requirements?

Answer. Nearly all of the remaining known requirements which can be corrected by construction are programmed for MILCON or O&M projects now. However, EPA and the states continue to write new regulations. We will continue to respond to these new regulations for the foreseeable future.

Senator **Thurmond**. How would you characterize your relationship with EPA on water pollution control issues?

Answer. The Department of Defense and the Environmental Protection Agency continue to deal with each other on a professional basis. We keep EPA fully informed concerning our pollution abatement activities. EPA reviews our planned pollution abatement projects twice yearly and provides a detailed evaluation of our plans to the Office of Management and Budget. We welcome EPA's oversight of our water pollution control program, as in other environmental areas.

Senator **Thurmond.** The GAO, in a report dated February 3, 1984, was somewhat critical of DOD's efforts in this area. Have you seen this report, would you care to comment on it?

Answer. Yes, I have seen this report, and I believe GAO identified some deficiencies, which unfortunately also affect many municipal wastewater treatment plants. GAO also stated that DOD had made significant progress in achieving water pollution abatement in the past few years. We are in the process now of taking corrective action on GAO's recommendations. I will single out one for comment. GAO recommended we test the use of two-step procurement for the design and constructon of a treatment plant. The idea is to have a single firm responsible for both design and construction, and then demonstrate that the new plant meets all required effluent standards. We are optimistic about this approach, and we are working with the Services to identify a suitable MILCON project in FY 1986 or 1987 to test this concept.

Senator **Thurmond.** There is a letter from EPA appended to that GAO report. Quoting from that letter:

"In view of the continuing noncompliance of DOD operated facilities, EPA will consider the institution of administrative actions, including the possible renegotiation of the EPA/DOD Memorandum of Understanding (MOU), to obtain NPDES compliance in line with that required for nongovernmental permitees."

From the tone of the EPA quote above, it doesn't sound as if they are very happy with DOD's progress in solving its pollution problems. Has EPA instituted administrative action against DOD for noncompliance with water or air quality standards?

Answer. We understand EPA is considering several enforcement options to achieve water pollution compliance for federal facilities. Normally, issuance of a notice of violation by EPA or a state regulatory agency focuses command attention on a problem and assures rapid compliance.

AUTHORITY TO SELL ELECTRIC POWER

Senator **Thurmond.** In many large power plant projects now under construction (such as; the geothermal projects at China Lake, California and Fallon, Nevada; the power plant at Norfolk, Virginia; and the power plant at Chanute AFB, Illinois) there is the possibility that the facility may generate electric power in excess of the needs of the local military installation. What are you planning to do with this excess power?

Answer. The Navy received specific authority to sell any excess power at Norfolk under section 119 of the Military Construction Appropriation Act P.L. 97-323. In Nevada, the Navy has negotiated an agreement with the Western Area Power Authority to "wheel" any excess power generated at Fallon to other Defense bases in the West. The Navy planned to negotiate a similar agreement for any excess power generated at China Lake, California; however, the local utility companies have recently refused to enter into any "wheeling" agreement. Consequently, the Navy is exploring alternatives. The Air Force solicitation for third party proposals at Chanute AFB has just recently been advertised. If excess power is a necessary component of a successful proposal, legislative relief to sell that power might be required.

Senator **Thurmond.** Do you have the necessary legislative authority to sell this excess power to local utilities?

Answer. We are currently attempting to clarify our authority in that area.

Senator **Thurmond.** We clearly do not want the military to get into competition with public utility companies for the sale of power. However, we recognize that on some occasions, the optimum engineering design of a power plant will include cogeneration with excess electrical capacity. Would you please provide the Committee with a legislative proposal that would permit the Services to sell excess power—in cooperation with local utility companies?

Answer. Yes, the proposed legislation is attached.

SALES OF ELECTRICITY FROM ALTERNATE ENERGY AND COGENERATION PRODUCTION FACILITIES

Sec. XXX (a) Chapter 147 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 2483. Sales of Electricity from Alternate Energy and Cogeneration Production Facilities

"(a) Notwithstanding any other provision of law, the Secretary of a military department may sell, contract to sell, or authorize the sale by contractors, of electrical energy which is generated from altrnate energy or cogeneration type production facilities owned by the military department or produced on land which is subject to the jurisdiction of the Secretary concerned, to utilities, under such regulations, for such periods, and at such prices as are consistent with the Public Utility Regulatory Policies Act of 1978, as the Secretary concerned may prescribe.

"(b) Proceeds of sales under subsection (a) shall be credited to the appropriation currently available for the supply of electrical power."

(b) The beginning of such chapter is ameded by adding at the end thereof, the following new item:

"2483. Sales of Electricity From Alternate Energy and Cogeneration Production Facilities."

DEFENSE RELOCATION PROGRAM

Senator THURMOND. The press recently reported on the "Defense Relocation Program" which was described as a revolving fund to be used for the construction of facilities financed by savings generated by these replacement facilities. Does such a program exist; if it does, provide details on the establishment and the administration of the program?

ANSWER. Yes. The Defense Relocation Account (DRA) was established in 1982 by the Defense Resources Board to pay the up-front costs of worthwhile projects that yield significant operational savings. The up-front expenses are repaid with the savings resulting in the outyears.

The FY 1985 program budget decisions included projects totalling $75.4 million. Funds advanced from the DRA will be repaid from subsequent service savings in the outyears.

The program is administered by the ASD (MI&L). In February the Services were requested to submit project descriptions, with funding requirements and savings stated in terms of net reductions to specific Military Service O&M accounts. The OASD will review the candidates and recommend funding for those that have the best combination of mission essentiality and rapid payback (5 years or less).

Senator THURMOND. Have you build any facilities under this program?

ANSWER. The first facilities were in the 1984 program, and to my knowledge, haven't been completed.

Senator THURMOND. Was the construction of these facilities authorized by law?

ANSWER. Yes, in the normal budget process.

Senator THURMOND. Provide a list of the projects authorized for this program to date. Also show those projects included in the FY 1985 request.

ANSWER. The following projects were approved in FY 1984 which was the first year for the program:

ARMY

Training Support Warehouse, Ft. Huachuca ($6 million).—Six widely dispersed training buildings will be consolidated into a single facility.

NAVY

Range Operations and Instrumentation Lab, China Lake ($6.9 million).—Consolidate into one facility the development of test and evaluation instrumentation and direct support for Naval Weapons Center test operations.

AIR FORCE

Consolidation of Reentry Vehicle and Wake Signature Testing ($.2 million).—Consolidate the Delco ballistic range to Goleta, California into the range at Arnold Engineering Development Center.

Mt. Sunrise (Nellis AFB) Power Line ($.2 million).—The relocation of a one mile portion of the Mt. Sunrise obstruction light power line will allow the Air Force to cancel leases and avoid land purchases.

Relocate Five Recruiting Squadrons from Leased Facilities ($2.5 million).—Construct five new administrative buildings on existing installations and allow recruiting squadrons to move out of leased space.

The following is a list of projects contained in the FY 1985 request:

ARMY

Consolidated Dining Facility, Ft. Bragg ($2.5 million).—Consolidate six separate dining facilities occupying substandard temporary building (which will be demolished) into a single dining hall.

Computer Systems Development Facility, Ft. Belvoir ($31.2 million).—Construction of a single computer facility eliminates leasing costs for two commercial buildings and permits backfill of eight permanent/semi permanent building at Ft. Belvoir.

NAVY

Public Works Shop Conversion, Great Lakes ($1.1 million).—Converts an existing building into a consolidated shop area eliminating make-shift adaptations in five building scattered throughout the base.

AIR FORCE

Power Heating Plant, Thule AFB, Greenland ($22.0 million).-Replaces the current inefficient multiple power plant system.

Senator THURMOND. What do you mean by "up-front" costs?

ANSWER. These are the start-up or one-time costs that must be expended before savings can accrue. The expenses are primarly for design and construction.

Senator THURMOND. What does this program accomplish that is not accomplished through the normal MILCON programming process?

ANSWER. This revolving fund permits worthwhile projects that would not be a high enough MILCON priority, to be funded based on their ability to generate real savings. As a general rule, approved projects generate enough savings within five years to repay the account for the money advanced to pay the one-time costs. The savings generated from these projects will be used to fund start-up costs for future projects.

The normal MILCON process has no provision for building projects from savings. The revolving fund diminishes future need for appropriated funds.

SALE AND REPLACEMENT

Senator THURMOND. I assume you are familiar with Section 807 of last year's Military Construction Authorization Act regarding the sale and replacement on nonexcess real property. I note that your request for FY 85 does not propose any transactions under Section 807. Do you support Section 807.

ANSWER. Yes, we do support Section 807.

Senator THURMOND. Do you have some transactions that the committee might consider adding to the FY 85 bill? Please furnish specific proposals, if possible.

ANSWER. There are three projects that are good examples: (1) Arlington Hall Station, Virginia; (2) a 130 acre parcel of land at the Naval Supply Center Pearl Harbor; and (3) a 2,200 acre parcel at March AFB, California.

SECTIONS 801 AND 802

Senator THURMOND. Last year the Congress approved provisions that would allow the Secretaries of the military departments to enter into lease or rental guarantee arrangements as a means of providing additional housing where housing deficits presently exist. The Secretary of Defense was required to report to the Congress concerning the economic feasibility of such arrangements. What has the DOD done to implement the provisions of Sections 801 and 802 of the FY 84 MILCON Bill?

ANSWER. Because sections 801 and 802 are quite different from our normal way of doing business we believe it to be essential that we obtain input from the industry. To this end we published a notice in the the Federal Register on March 8 that we had a draft request for proposal available covering the situation of leased housing off base, and that we were seeking comment. In early April we expect to have available draft RFPs covering the situations of leased housing on-base and rental guarantee housing. We will seek industry comment on these. As soon as we have received and evaluated comments and made such changes as are indicated in our RFPs the Services will go on the street with specific RFPs. We expect this to occur in July.

Senator THURMOND. What factors are included in the determination of cost to the government, such as tax breaks or additional tax revenue?

ANSWER. This is still being determined. We will furnish it to the Congress as soon as we have it developed.

Senator THURMOND. Are the cost projection analyses consistent with the provisions of Office of Management and Budget Circular A-76 that establishes guidelines for cost comparisons in contracting out various base functions?

ANSWER. We believe they will be consistent with Circular A-76.

Senator THURMOND. What bases are considered candidates for lease or rental guarantee arrangements?

ANSWER. The Navy has identified Camp Pendleton, CA; San Diego, CA: Earle, NJ; and the Norfolk/Tidewater, VA areas. The Army has selected Ft. Ord, CA; Ft. Campbell, KY; Ft. Polk, LA; and Ft. Hood, Texas. The Air Force so far has identified only one site, Eielson AFB, Alaska.

MANUFACTURED HOUSING

Senator THURMOND. Last year the Congress directed that new construction for family housing overseas he done through the acquisition of U.S. manufactured housing. How many nations are involved in the FY 84 and 85 requests?

ANSWER. Eight, including a project at the U.S. Navy base at Guantanamo Bay.

FAMILY HOUSING DEFERRED MAINTENANCE

Senator THURMOND. What is the deferred maintenance backlog in family housing?

ANSWER. The services have reported a backlog of approximately $4 billion in deferred maintenance.

Senator THURMOND. What are your plans to reduce this backlog?

ANSWER. The Services funding request for Fiscal Year 1985 will reduce the deferred maintenance backlog by approximately $300 million. The services plan to continue funding in an amount that will allow for the gradual reduction of the backlog. The long-range goal is to attain a manageable level of deferred maintenance of about $390 million.

FAMILY HOUSING LEASING

Senator THURMOND. What progress have you made in reducing the number of leases in the United States?

ANSWER. Of the approximately 4,400 domestic leases at the end of Fiscal Year 1980, the services currently have 134.

Senator THURMOND. Are all services and the Defense Agencies going to meet the Fiscal Year 1985 criteria for elimination of domestic family housing leasing?

ANSWER. Yes. The Defense Agencies do not have any leases in the United States. The Air Force's program will be phased out by the end of Fiscal Year 1984. The Army will have 13 leases in Fiscal Year 1985 and the Navy will have 5; but their programs will be phased out by the end of Fiscal Year 1985.

The Fiscal Year 1984 Military Construction Authorizatoin Act authorized the services to test long-term domestic leasing at six locations which could result in a total of 1,800 leased units. Should this program prove successful, an increase in the domestic leasing program would occur.

NATIONAL WAR COLLEGE

Senator THURMOND. You are proposing a major expansion of the National War College. In this budget you have about $5 million to acquire land contiguous to the National War College for a facility to be requested in the FY 86 budget. Who owns this land?

ANSWER. GSA.

Senator THURMOND. Has GSA made any attempt to sell or dispose of this land?

ANSWER. The property thought by GSA to be highly marketable, has never been offered because DOD interest was known, and GSA routinely screens for Federal interest prior to public offering.

Senator THURMOND. It doesn't seem to make sense for one Federal agency to have to pay for excess Federal land that nobody wants. Why can't GSA simply turn this land over to the Department at no cost?

ANSWER. The administration is trying to encourage business-like property management—if you want land, you pay for it.

Senator THURMOND. Have you approached GSA to see if they would build the necessary facilities for you—after all, GSA is supposed to provide space for all Federal agencies in major metropolitan areas?

ANSWER. No, we have not formally asked GSA to build the required facilities at Fort McNair. Informal discussions with GSA and previous experiences have shown us that it would be near to impossible to have them build the facilites. GSA has no funds available for the construction of the required facilities and has not had a new building approved in the National Capital Region for the last ten years.

BRIGS

Senator **Thurmond**. The Navy is starting a major brig construction effort. Has DOD coordinated this effort between all services to avoid duplication and overlap?

Answer. This construction effort has been coordinated through the DOD Corrections Council. The construction will not duplicate or overlap existing facilities.

The Navy construction is necessary to meet standards established by the DOD to ensure uniform treatment of military prisoners. The DOD has worked with the Navy to ensure that new construction meets the needs of the entire Department and is not duplicated elsewhere. To this end, construction estimates through Fiscal Year 1989 have been reduced from 180 million dollars to 126 million dollars.

In addition, the Department is working with the Federal Bureau of Prisons to reduce costs and construction delays. Their expertise has been extremely valuable in leading to effective but inexpensive design.

DLA, MATERIAL HANDLING COMPLEX, MECHANICSBURG, PA.

Senator **Thurmond**. Have you considered the option of having a third party contractor build and operate this facility?

Answer. The option has been considered, however, since the Material Handling Complex is the primary DLA storage point to provide critical support for major weapons systems of U.S. Forces in Europe and NATO, a contractor-owned depot is deemed to have unacceptable risk. Since it will be built by the private sector to our specifications, we see no overriding advantage to the Government of combining construction and operation in a single contract. Any economic advantages of that approach relate to tax incentives which could result in a lower cost to DOD but may well mean a higher overall cost to the taxpayers. The question of contracting out the operation of various segments of our depots will be subject to A-76 reviews under current planning.

Question Submitted by Senator Dan Quayle

MILITARY CONSTRUCTION OVERVIEW

Senator **Quayle**. Dr. Korb, over the past several years, Grissom AFB in Indiana has ranked consistently among the very worst bases in the Strategic Air Command. This critical base, now the home of the President's National Emergency Airborne Command Post, was essentially ignored for many years from a military construction point of view. Despite growing missions, it has been extremely disappointing to learn that two Grissom projects for FY 85 were eliminated at the OSD level—ignoring the high priority attached to them by the SAC Commander and the Secretary of the Air Force. This situation leaves Grissom with only one active Air Force military construction project in FY 85 of $920,000 against a total base MILCON requirement in excess of $80 million. Could you provide for the record information on the two Grissom projects eliminated by OSD—an aircraft maintenance shop and a base civil engineering complex (phase I)?

Do these projects meet all USAF design complete criteria required for authorization by the Defense Department?

Dr. **Korb**. These projects were deferred since the the 35 percent design level had not been reached in time for inclusion in the FY 1985 Air Force Military Construction Program. The information follows:

[Dollars in millions]

	SF	
Aircraft maintenance shop	10,100	$1.25
Design status: 30 percent as of March 1984		
Design complete: October 1984		
Base Civil Engineering complex PH I	59,000	4.35

[Dollars in millions]

	SF
Design status: 35 percent as of March 1984	
Design complete: October 1984	

Questions Submitted by Senator Sam Nunn

HIGH ENERGY LASER SYSTEMS TEST FACILITY

Senator **Nunn**. What is the functional relationship between the facility enhancements proposed for the high energy laser systems test facility, and the administrations's program of strategic defense initiatives? Are the proposed projects dependent upon the approval of key elements of this initiative.

Answer. The High Energy Laser Systems Test Facility is one of the key experimental sites that will be used to support the Strategic Defense Initiative. It is the only site which will be capable of high irradiance, large spot size laser damage and lethality tests. The facility enhancements are required to support the Strategic Defense Initiative, as well as other tactical and scientific efforts. The proposed projects are required to satisfy operational and safety requiremens of the site, and to optimize its utility to DOD.

The military construction request is for three principal items, 1) a vacuum chamber test cell, 2) a fire sub-station and scape facility, and 3) a staging and storage facility.

The vacuum chamber test cell is required to provide a facility to conduct lethality and target hardening tests on large targets in a simulated space environment and using a high energy laser beam. Lethality and target hardening are a major element of the determination of the necessary performance parameters of any laser weapon system. Tests utilizing the vacuum chamber test cell are required to provide essential information for future decisions on any high energy laser weapon system whose mission would be to engage targets in space, including laser weapons for anti-satellite and ballistic missile defense missions. The vacuum chamber test cell is required at the High Energy Laser Systems Test Facility in order to use it with the Mid-InfraRed Advanced Chemical Laser (MIRACL), which is at the facility and will provide the laser beam. The MIRACL has significantly greater power than any other available laser, and it has the ability to provide an intense laser beam over a large spot size.

The fire substation and scape facility, and the staging and storage facility are required for substantially all operations at the facility.

NATIONAL DEFENSE UNIVERSITY

Senator **Nunn**. I note that the current budget request is for the purpose of purchasing property adjacent to Fort McNair, property which the General Services administration is excessing. What is the Federal Government's interest in this property?

Answer. The National Defense University is interested in acquiring the land to locate a library and an academic center.

Senator **Nunn**. Does it appear that the Federal taxpayer is being asked to pay for property which it already may own?

Answer. The administration is trying to encourage businesslike property management—if you want land, you pay for it.

Senator **Nunn**. What other siting alternatives are available to the National Defense University to locate its new headquarters and library on Fort McNair?

Answer. Since 1977 the University has presented four proposals for new construction on Fort McNair proper. These were not acceptable for several reasons: National Capital Planning Commission disapproval; lack of adequate space at Fort McNair; and construction costs inconsistent with building specificiations. In short, there are no acceptable sites available on Fort McNair proper.

HAZARDOUS MATERIALS FACILITIES, WARNER ROBINS AIR FORCE BASE, GA.

Senator **Nunn**. I note that a significant portion of the agency budget request, $4.6 M., is devoted to the Defense Property Disposal function and the related problem of the disposal of hazardous and toxic materials. At the Air Force depot at Robins Air Force Base, Georgia, neither the host, nor DLA, have suitable facilities for the receipt, storage, or disposition of hazardous materials. I understand that a project to address both Agencies' requirements has been designed, but is currently unfunded. Could you describe the problems DLA faces with an obsolescent, split property disposal operation at Robins AFB, and how you plan to remedy this situation?

ANSWER. The Air Force has developed a project for construction of a hazardous materials storage warehouse at Warner Robins Air Force Base. Construction of this warehouse will require demolition of a portion of the DLA property disposal facilities and the Air Force has included in their project replacement of the facilities to be demolished. The replacement facilities will be constructed in a different part of the base. DLA, in support of the Air Force plans, developed a companion project which would provide for relocation of the remainder of the property disposal facilities to the new location. The DLA project is driven by the Air Force project, and unless the Air Force plans come to fruition, there is no need for the DLA companion effort.

With respect to the need to provide conforming storage for hazardous waste materials at the Property Disposal Office, we are developing a separate project to satisfy that requirement alone.

Senator NUNN. Dr. Korb, you mentioned that the Army is requesting $29M for the siting of a DIVAD unit as part of the Master Restationing Plan. However, the Defense Department has so far been unsuccessful in obtaining German funding support for this initiative. What are the Army's plans for the siting of this DIVAD unit if the MRP funding is not forthcoming? What would be the operational degradations associated with an alternative basing scheme?

ANSWER. If the DIVAD battalion cannot be sited at Giessen because MRP funding is not forthcoming, the Army has two alternatives: one is to delay the modernization of the battalion at its current location. Any delay in the modernization of the battalion not only degrades the air defense capabilities in the region but also delays a series of other facilities vacated in turn (a domino series of moves). The delay of these secondary moves prolongs crowding in other communities and delays other modernization initiatives. The other alternative is to expand the defense battalion at its present location, for which additional barracks would be needed, and maintenance areas would be extremely crowded. Furthermore, the domino moves could not take place, and additional crowding resulting in some further degradation of unit capabilities would result.

Siting of the DIVAD battalion at Giessen has been studied carefully by the division and communities affected, the parent corps, U.S. Army, Europe, and Army planners. They all conclude that Giessen is the best location for the DIVAD battalion.

MILITARY CONSTRUCTION

Senator NUNN. In your statement, you emphasized the relationship between retention and recruiting rates and the condition of facilities on DOD installations. While I would tend to agree that such a relationship might be expected, I would be interested in knowing if the Defense Department has any empirical evidence to support this conclusion, perhaps by way of exit interviews with soldiers. Have military personnel had a direct hand in the design of their living and community facilities? Do we have any evidence to suggest the sensitivity of retention rates to the modernization of certain types of facilities?

ANSWER. I do not have any statistical data, based on surveys or exit interviews, that would establish a specific quantitative relationship between recruiting or retention rates and the condition or modernization of certain types of facilities. However, senior enlisted advisors in the Army, Navy, Air Force, and Marine Corps have provided ample empirical evidence in their testimonies before the House Appropriations Military Construction subcommittee for the past four years on quality of life (QOL) in the Military Services. The adequacy of housing, the condition of working and training areas, and availability of community type facilities—hospitals, schools, libraries, commissaries, exchanges, physical fitness facilities, child care centers, etc.—have been discussed at each of these hearings. Without safe, modern facilities it is simply not possible to adequately house, train, and motivate a career armed force. The investment is paying off. Commanders everywhere are reporting marked improvements in working and living conditions. Army Secretary Marsh reported after his recent visit to Germany, "The Administration's facility improvement program has had a great impact on morale, efficiency and readiness."

Military personnel, at all echelons of command, have a hand in the planning and operation of their living and community support activities. Various councils and advisory committees have been established to insure the broadest input from the military community. The actual design of facilities to accommodate these activities is, however, accomplished by trained architectural and engineering personnel, based on local community needs.

DOD STRUCTURAL FIRE EXPERIENCE

Senator **Nunn**. In your comments in your statement regarding the replacement of World War II buildings, you mentioned the increased fire hazard associated with these structures. During the past year, there seems to have been an increase in structural fires, particularly in the family housing inventory. What has been the department's experience with fires over the past year? Has there been an increase? Is there any correlation between these fires and the age of the structures?

Answer. The Department of Defense experience with structural fires for calendar year 1983 showed an overall decrease from our 1982 experience. In 1983 we recorded a total of 2,562 structural fires, a decrease of 207 incidents compared to calendar year 1982 when we recorded 2,769. Family housing fires, included in the above figures, follow that trend also: Although the Army experienced a slight increase in this category in 1983, the total incidents recorded for the Department of Defense for 1983 was 1,110 a decrease of 42 fires from 1982 when we experienced 1,152. We cannot make any correlation between the number of fires and the age of the structures. We agree with the Senate Committee on Armed Services that our older World War II buildings, primarily wood frame construction, are a greater fire hazard than newer buildings using fire resistant construction materials. Consequently, greater emphasis on fire prevention is necessary for those structures.

Questions Submitted by Senator Robert Byrd

STATUS OF MILITARY RESERVE CENTERS, WEST VIRGINIA

Senator **Byrd**. What is the situation with regard to upgrading the military reserve centers at Elkins, Camp Dawson, Weston, Huntington, Rainelle, and Ripley, West Virgina?

Answer. The Army National Guard armories at Elkins, Camp Dawson, Weston and at the Tri-State Airport in Huntington are all considered adequate. However, the armory in the city of Huntington is considered inadequate and in need of expansion.

The Army Reserve proposes, in the future, to (1) construct new reserve centers to replace leased facilities in Elkins and Weston, (2) construct a new 200-person center at Rainelle to replace an existing inadquate 25-person center, and (3) expand the existing 25-person center at Ripley to a 200-person center.

The Navy Reserve Center at Huntington is adequate.

Senator **Byrd**. Would you please provide for the record a comprehensive master plan for the State of West Virginia showing the status of all regular, reserve, and guard facilities and indicating construction plans for such facilities over the coming 10 years?

Answer. With respect to outyear construction plans, any projection of Defense facility or financial requirements beyond the budget year is extremely tentative at best. Such programs have not been approved by the President nor have they been subjected to thorough staff review and analysis to assure that they represent firm requirements supportable within the dollar levels that might be expected to be available to the Department of Defense in future years.

Senator **Byrd**. Would you please provide for the record, for each of these projects, either a form 1391 or a comparable narrative statement indicating the installation and location, project cost, description of proposed construction, the need for the project (including current situations and impact if not provided) and other pertinent data.

Answer. Descriptive and justification data relative to outyear facility requirements are not complete nor have the projects these data support been analyzed to determine when or how they can be accommodated within projected resources.

Senator **Byrd**. Which of these projects could be accelerated into fiscal year 1985?

Answer. Project review has not been initiated and to our knowledge projects lack a satisfactory design status. Accordingly, none could be accelerated.

QUESTIONS SUBMITTED BY SENATOR MACK MATTINGLY

DOD REVISED BUDGET

Senator **MATTINGLY**. As I stated earlier, it is expected that within the next two weeks a revised DOD budget will be submitted to Congress. With various reductions anticipated throughout the DOD Budget, we can assume that military construction will take a fair share.

In light of this, Dr. Korb, can you explain to the subcommittees what sort of a priority system is used to determine the needs in the military construction accounts?

Dr. **KORB**. There is no prescribed priority system used to rank military construction projects. Many factors related to need are considered by the services in evaluating each project. We must support deployment of new weapon systems approved by Congress in prior years, new or changing military missions, and take care of our physical plant to prevent further serious deterioration.

Senator **MATTINGLY**. Which types of facilities compete against each other for the limited resources, if necessary? (i.e., dorms vs. hangars)

ANSWER. All projects compete for the limited resources. Facilities were underfunded in the 1970s and we now have a requirement for all types of facilities. We have a construction program which is in balance as related to operations and to people. If changes to our military construction budget must be made, such a balance must be preserved.

Senator **MATTINGLY**. Is any consideration given to geographic location of facilities in an exercise such as you are doing now in this budget review?

ANSWER. Geographic location is one of the many factors considered in determining facility needs. Overseas assignments can be very hard on our people and their dependents; and we have emphasized improving working and living conditions overseas in the past few years primarily because of the severe underfunding of such locations in the 1970s relative to U.S. installations.

Senator **MATTINGLY**. In light of this proposed budget revision, where is the military construction going in future years to meet the $50 billion requirements list you mentioned in your statement?

ANSWER. We will continue to stress reducing our large facilities requirement. We must halt the deterioration of our $350 billion physical plant. Any projects deferred from fiscal year 1985 will add to that requirement for future years' programming which would be needed just to check consumption of the physical plant.

WORLD WAR II FACILITIES

Senator **MATTINGLY**. How many structures are considered in this so-called "World War II" category?

ANSWER. A total of 31,417 buildings in the inventory are considered to be temporary wood buildings constructed prior to and during World War II. The total floor area of these buildings is approximately 138 million sq. ft.

Senator **MATTINGLY**. How many of these have been used in prior justifications for replacement facilities?

ANSWER. As reported by the military services, the buildings included in the plans submitted to Congress have not been used previously for justifications for new construction. We intend to spot check to ensure that when demolition of these facilities is used as justification for new facilities that these buildings are removed from the inventory.

Senator **MATTINGLY**. What is the estimated cost to modernize/replace these facilities—not those used in previous justification, but only those still to be replaced?

ANSWER. The plans of the Military Services state that approximately $6.36 billion will be required to demolish and replace facilities as required by 1990. Approximately $2.65 billion will be required to modernize the remaining facilities.

Senator **MATTINGLY**. What is the estimated cost to maintain these facilities to meet basic safety-type requirements?

ANSWER. The $2.65 billion mentioned above to modernize these buildings includes the cost to meet basic safety standards and make the buildings suitable for use.

Senator **MATTINGLY**. When will these facilities be out of the inventory?

ANSWER. According to the military services' plans presented to Congress, approximately 11,500 buildings will be out of the inventory by 1990. Demolition and replacement will continue after 1990 until all the buildings no longer required for mission purposes are out of the inventory.

QUALITY OF LIFE

Senator MATTINGLY. Dr. Korb, in your position you handle manpower as well as installations. In this regard, I assume that you have some feelings on the so-called quality of life programs which take a sizable portion of the military construction dollar.

Are we to see less family separation than is currently taking place?

What costs can be associated with this program?

What do you see as the outcome of the program in regard to readiness, reenlistments, and so forth?

ANSWER. We do not have a quality of life program per se, with specifically identified projects and costs. We try to look at all our budget programs—Operations and Maintenance, Military Personnel, Military Construction, etc.—to insure that we are adequately providing for the quality of life of our Armed Forces personnel and their families. In this context, we attempt to minimize personnel turbulence and to keep families together as much as possible by authorizing accompanied tours in overseas areas. There is no question in my mind that this improves morale and readiness and contributes to reenlistment rates and the retention of a career force. The costs involved include the construciton and operation of family housing units, commissaries, and dependent schools, along with such other community facilities as military exchanges, libraries, child care centers, playgrounds, ball fields, and recreation centers. Without these facilities we would have great difficulty in achieving our objective to stabilize the force.

Senator MATTINGLY. Dr. Korb, please provide the committee with information on hospital construction programs for the future. How many military hospitals need total replacement or major renovation?

Dr. KORB. The Military Departments have identified in the Five-Year Medical Facilities Plan (FY 1986–1990) eighty-six (86) hospital projects that need total replacement or major renovation.

Senator MATTINGLY. During the past year how many military exercises were held around the world?

Dr. KORB. There were 20 JCS-directed and 42 JCS-coordinated exercises conducted in FY 1983.

Senator MATTINGLY. What was the duration of each of them?

Dr. KORB.

Exercise name	Dates
Ellipse Charlie 83	Oct. 1, 1982 to Sept. 30, 1983
Thermal Gale 83	Oct. 5, 1982 to Oct. 29, 1982
Jade Tiger 83	Oct. 22, 1982 to Oct. 13, 1982
Proud Saber 83 (MOBEX)	Oct. 25, 1982 to Nov. 5, 1982
Opportune Journer 83–1	Oct. 30, 1982 to Dec. 10, 1982
Able Archer 82 (CPX)	Nov. 1, 1982 to Nov. 5, 1982
Foal Eagle 82	Nov 10, 1982 to Nov. 19, 1982
Sandgroper 82	Nov. 15, 1982 to Nov. 26, 1982
Escabon 82	Nov. 27, 1982 to Dec. 2, 1982
Ellipse Bravo 82	Nov. 28, 1982 to Dec. 3, 1982
Fuerzas Unidas—Honduras (CPX)	Jan. 5, 1983 to Jan. 8, 1983
Brim Frost 83	Jan. 10, 1983 to Feb. 10, 1983
SPECWAREX 83	Jan. 24, 1983 to Feb. 20, 1983
AHUAS TARA I	Jan. 22, 1983 to Feb. 19, 1983
Team Spirit 83	Feb. 1, 1983 to Apr. 16, 1983
Kindle Liberty 83	Feb. 10, 1983 to Feb. 17, 1983
WINTEX/CIMEX 83 (CPX)	Feb. 24, 1983 to Mar. 9, 1983
Gallant Knight 83 (CPX)	Mar. 1, 1983 to Mar. 30, 1983
Cold Winter 83	Mar. 11, 1983 to Mar. 17, 1983
Cope North 83–3	Apr. 1, 1983 to Apr. 9, 1983
AMALGAM Chief/Mute 83–1	Apr. 11, 1983 to Apr. 15, 1983
BALIKATAN/TANGENT FLASH 83	Apr. 14, 1983 to May 17, 1983
Flintlock 83	Apr 14, 1983 to May 22, 1983
Solid Shield 83	Apr 21, 1983 to May 11, 1983
NUWAX 83 (FTX)	Apr. 29, 1983 to May 17, 1983
Salty Bee 83	May 1, 1983 to May 31, 1983
Opportune Journey 83–2	May 1, 1983 to May 31, 1983
Locked Gate 83	May 3, 1983 to May 10, 1983
Distant Drum 83	May 10, 1983 to May 27, 1983

Exercise name	Dates
AMALGAM Brave 83	May 16, 1983 to May 27, 1983
Adventure Express 83	May 28, 1983 to June 26, 1983
Universal Trek 83	May 31, 1983 to June 11, 1983
Ellipse Echo 83	June 1, 1983 to July 1, 1983
Opportune Journey 83-3	June 1, 1983 to June 30, 1983
Unitas XXIV	June 1, 1983 to Nov. 15, 1983
Ocean Safari 83	June 9, 1983 to June 20, 1983
Agile Retrieval 83	June 10, 1983 to June 12, 1983
Northern Viking 83	June 22, 1983 to June 30, 1983
AMALGAM Chief 83-2	June 23, 1983 to June 30, 1983
Global Shield 83	June 23, 1983 to June 31, 1983
Captive Lightning	June 26, 1983 to July 26, 1983
Vector South 83	July 15, 1983 to July 26, 1983
Shadow Hawk 83	July 19, 1983 to Aug. 3, 1983
Cobra Gold 83	July 22, 1983 to July 31, 1983
Bright Star 83	July 23, 1983 to Sept. 24, 1983
Ellipse Bravo 83	Aug. 1, 1983 to Aug. 31, 1983
AHUAS TARA II	Aug. 5, 1983 to Feb. 8, 1984
LOGEX 83 (CPX)	Aug. 14, 1983 to Aug. 26, 1983
Opportune Journey 83-4	Aug. 15, 1983 to Sept. 30, 1983
Cope North 83-4	Aug. 18, 1983 to Aug. 27, 1983
ULCHI-Focus Lens 83 (CPX)	Aug. 19, 1983 to Aug. 30, 1983
OKSBOEL 83	Aug. 22, 1983 to Aug. 30, 1983
Crested Cap 83	Aug. 24, 1983 to Oct. 2, 1983
Reforger 83	Aug. 25, 1983 to Oct. 30, 1983
Bold Bird (SONOREX 83)	Sept. 1, 1983 to Oct. 31, 1983
Display Determination 83	Sept. 3, 1983 to Oct. 30, 1983
Ample Express 83	Sept. 4, 1983 to Oct. 2, 1983
Ellipse Alpha 83	Sept. 7, 1983 to Sept. 9, 1983
AMALGAM Chief/Mute 83-3	Sept. 12, 1983 to Sept. 26, 1983
Cold Fire 83	Sept. 14, 1983 to Sept. 30, 1983
Bold Eagle 84 (CPX/FTX)	Sept. 15, 1983 to Nov. 10, 1983
Bar Frost 83	Sept. 16, 1983 to Sept. 20, 1983

Senator MATTINGLY. Were any dirt airfields constructed during those exercises? If so where and tell us the length of them?

ANSWER. No.

QUESTIONS SUBMITTED BY SENATOR JIM SASSER

TEMPORARY EXERCISE AIRFIELDS, HONDURAS

Senator SASSER. What was the duration of Big Pine I and Big Pine II?

ANSWER. Big Pine I, 6 days during February 1983; Big Pine II, 187 days from August 1983 to February 1984.

Senator SASSER. Detail each airfield which was constructed, improved or modified during Big Pine I and Big Pine II.

ANSWER. Four airstrips were modified as follows:

Big Pine I.—Puerto Lempira; a dirt apron was added to an existing dirt airstrip.

Big Pine II.—San Lorenzo; an existing dirt crop dusting airstrip was modified for temporary C-130 operations during exercise.

Aguacate; an exisiting dirt airstrip was modified to allow multiple temporary use by C-130 aircraft to support exercise objectives.

Trujillo; an existing asphalt C-47 airstrip was extended for temporary C-130 use to support exercise objectives. C-130 use has severely damaged this airstrip and major repairs are required.

PUERTO LEMPIRA AIRSTRIP

Senator SASSER. On what date did U.S. Forces improve the airstrip at Puerta Lempira?

ANSWER. During January and February 1983.

Senator SASSER. Detail each take-off and landing of any U.S. aircraft, except helicopters, which has occurred at Puerto Lempira since the improvements were made.

ANSWER. Records of this type are not maintained. We do know that during Big Pine II 36 fixed wing missions, landings and take-offs, were made at Puerto Lempira. The majority of these missions were to deliver food for the refugees.

Senator SASSER. List each date that the Puerto Lempira airstrip was provided with maintenance and describe that maintenance (compacting, scraping, etc.)

ANSWER. The U.S. has not performed any maintenance on this airstrip.

Senator SASSER. Was Puerto Lempira utilized by U.S. aircraft during Big Pine II; if so, for what was it used? What type of aircraft landed at Puerto Lempira during Big Pine II?

ANSWER. Thirty-six missions were conducted to Puerto Lempira during the Big Pine II, primarily to deliver food for the refugees. Again information requested is not maintanied but based upon aircraft available some C-130 flights were made.

Senator SASSER. If Puerto Lempira were to be utilized in Big Pine III, later this year, what maintenance would be necessary to make it C-130 capable?

ANSWER. Since this airstrip is not being considered for the next exercise, a Big Pine III exercise is not now planned, a site survey to review its condition has not been made.

Senator SASSER. If Puerto Lempira were to be used by U.S. Forces during Big Pine III, would the preparation of the site be done by U.S. personnel?

ANSWER. If it were to be used in a future exercise by U.S. Forces, that would depend upon the capability of the Honduran force, the work necessary and discussions with the host nation. Without specifics and many assumptions your question cannot be answered.

Senator SASSER. Is there any U.S. owned construction equipment (bulldozers, road graders, compactors) stored at or near Puerto Lempira or Fort Mocoron?

ANSWER. No equipment is stored at or near those locations.

TEMPORARY AIRSTRIPS

Senator SASSER. In preparation for Grenadero I, two airfields will be improved to accept C-130's—Cucuyagua and Jamastran. Construction will begin at those locations in April. Since there are four other C-130 capable airstrips built during Big Pine I and Big Pine II and there are four other airports presently used by the U.S. Armed Forces in Honduras, why is it necessary to build two more airfields? Those already available should be sufficient for any future exercise.

ANSWER. One objective of the exercise is to improve readiness of the U.S. Forces participating, in this case the engineers. Another objective of the exercise is to demonstrate to our friends and enemies in the region our ability to operate in remote areas of the region on short notice. Both of these objectives will be attained by the engineers improving two existing dirt airstrips to temporarily handle C-130 operations that are also part of the exercise.

"NO NOTICE" EXERCISE

Senator SASSER. Will any SEA or CAT huts be built for the 193rd infantry or the 82nd airborne personnel presently in Honduras for "No Notice" exercises? If so, where will this construction occur?

ANSWER. No SEA or CAT huts will be built for "No Notice" exercises in Honduras.

COLOMONCAGUA

Senator SASSER. Has the U.S. military conducted a site survey at or near the Colomancagua refugee camp?

ANSWER. The U.S. military has not conducted such a site survey.

Senator SASSER. Has the U.S. Southern Command proposed any use of operations and maintenance funds for construction or improvements, at or near the Colomoncagua refugee camp?

ANSWER. The Southern Command has not proposed such improvements.

CERRO LA MOLE RADAR SITE

Senator SASSER. Is the Cerro La Mole radar site a permanent facility?

ANSWER. The current site was developed by the Honduran government and may be usable by Honduras for several years without additional improvements.

Senator SASSER. Will it be turned over the the Honduran government?

Answer. The current owner of this site is the Honduran government. The radar unit deployed to this site is U.S. The radar unit will not be turned over to the Honduran government. The U.S. radar will redeploy to CONUS NLT May 1985. Honduras is investigating the procurement of a radar unit to replace the U.S. unit.

TIGER ISLAND RADAR

Senator **Sasser**. When will the Tiger Island radar be redeployed?

Answer. Within the next several months.

PALMEROLA AIR BASE, HONDURAS—RUNWAY CONSTRUCTION

Senator **Sasser**. The Honduran government is supposed to provide $1.5 million to complete a 500 foot strip at the Palmerola Airport. To date only $500,000 has been provided and there is an unconstructed gap in the runway. When will the Hondurans provide the additional $1 million to complete their obligation?

Answer. The entire project has been approved by the Honduran government; however, only $750,000 has been provided. The remaining $750,000 has not been provided due to a cash flow problem within the government of Honduras. The Hondurans have restated their commitment to complete the project. U.S. Ambassador to Honduras is currently discussing the problem with the government of Honduras.

Senator **Sasser**. Since the U.S. share of the project is coming in under budget, is any consideration being given to U.S. Military Construction funds being used to complete the Honduran portion of the project?

Answer. No consideration has been given to U.S. Military Construction funds being utilized to complete the Honduran portion.

PERMANENT MEDICAL FACILITY AT PALMEROLA

Senator **Sasser**. General Gorman has stated that the Honduran Government will provide the materials to construct a permanent medical facility at Palmerola. Have those materials been supplies?

Answer. No. While the requirement for an improved Honduran medical facility remains valid, there are no plans to proceed with any construction. U.S. forces will rely on existing facilities.

Senator **Sasser**. Will U.S. personnel construct the facility?

Answer. Not applicable.

Senator **Sasser**. When will construction start?

Answer. Not applicable.

Senator **Sasser**. When will it be completed?

Answer. Not applicable.

Senator **Sasser**. What medical facilities will be available during Granadero I?

Answer. The 47th Field Hospital at Palmerola will provide a 10 operational bed facility with one OR, laboratory services, pharmacy, radiology and required administrative support services. The hospital will provide limited general medical, general and orthopedic surgery and general dentistry services.

Senator **Sasser**. Will U.S. personnel be used to staff the Palmerola medical facility once it is completed?

Answer. Not applicable.

Senator **Sasser**. If the Hondurans fail to provide the materials to construct the medical facility, how will it be financed?

Answer. Not applicable.

U.S. PERSONNEL IN HONDURAS

Senator **Sasser**. Two years ago there were 45 U.S. military personnel in Honduras. How many are there today?

Answer. Approximately 1700.

DIRT AIRSTRIP MAINTENANCE

Senator **Sasser**. General Alvarez has stated, "The hard packed dirt airstrips (built or improved by the U.S.) will be maintained by Honduras. We are trying to develop our landing strips throughout the country." He added. "Since we are low on engineering equipment, perhaps the U.S. should contract with us to maintain these strips while we develop our resources." Has the Honduran government made such a request for the U.S. to maintain those airstrips?

Answer. No, the Honduran government has not requested the U.S. to maintain those airstrips.

Senator **Sasser**. If such a request were made, what would be the response of the U.S. Government?

Answer. The Department of Defense has no plans to maintain any of the temporary improvements made to Honduran airstrips required to support exercise objectives.

PUERTO CASTILLA

Senator **Sasser**. Please list, for the record, the dates of all meetings between Honduran and U.S. officials, in which a joint U.S./Honduran military facility at Puerto Castilla was discussed.

Answer. There has never been a formal meeting to discuss a joint U.S./Honduran military facility at Puerto Castilla. The subject has been discussed informally on numerous occasions, going back to as early as 1980. There has never been any negotiation on the subject.

Senator **Sasser**. What is the status of those discussions?

Answer. There are no discussions being held.

Senator **Sasser**. Has a site survey been done by either U.S. or Honduran engineers for such a facility?

Answer. No. There have been visits to the area by engineers and others for orientation purposes. There has been some consideration as to a possible location for such a facility should it prove to be necessary, however, it has been very nonspecific.

MARCALA

Senator **Sasser**. Have U.S. personnel constructed any CAT or SEA huts or made any improvements at or near Marcala?

Answer. No. U.S. personnel have constructed any improvements at or near Marcala.

Senator **Sasser**. Is any such construction approved for this area?

Answer. The Department of Defense has no plans for such construction.

TIGER ISLAND, HONDURAS, C-7 AIRFIELD IMPROVEMENTS

Senator **Sasser**. Did U.S. personnel or equipment participate in improving the 2,200 foot C-7 dirt airfield on Tiger Island?

Answer. U.S. Army Military Engineers located at San Lorenzo (D Company, 46th Engineer Battalion) provided limited equipment support to the U.S. Marines at the direction of Joint Task Force 11. Existing airfield was overgrown and poorly compacted. Army engineers used on (1) D7E dozer, one (1) grader and one (1) vibratory roller to accomplish light clearing and grading. Surface could not be compacted adequately to permit routine aircraft use. The field was never used to support AHUAS TARA II operations, other than occasional landings by resupply helicopters. Field was rated for emergency C-7 use only.

Senator **Sasser**. When was the work accomplished?

Answer. Work occurred during the period 9–13 January 1984.

Senator **Sasser**. What cost was the improvement?

Answer. No direct cost can be attributed to this work. Statistical costs are:

Equipment: 72 hours.
Cost: $503.
Manhours: 126 hours.
Cost: $751.

Senator **Sasser**. What equipment exists on Tiger Island to maintain this runway?

Answer. No. U.S. equipment exists on Tiger Island to maintain this runway.

TRAINING EL SALVADOR PERSONNEL

Senator **Sasser**. Are U.S. personnel providing training to Salvadoran personnel at or near La Union?

Answer. Yes.

Senator **Sasser**. At or near San Miguel?

Answer. Yes.

Senator **Sasser**. What are the units presently at each location?

Answer. La Union: from the Army's 3rd Battalion, 7th Special Forces Group and from the Navy's Special Warfare Group 2. San Miguel: from the Army's 3rd Battalion, 7th Special Forces Group.

Senator **Sasser**. How many U.S. personnel are at each location?

Answer. La Union: 17 Army and 5 Navy. San Miguel: 10 Army.

Senator **Sasser**. Are these locations supplied from Honduras?

Answer. No, they are not supplied from Honduras.

Senator **Sasser.** From what location?

Answer. From San Salvador.

Senator **Sasser.** Have any of the helicopters or aircraft providing logistical support to these two locations ever come under hostile fire? If so, list the date and details of each instance.

Answer. No, logistical aircraft supporting those locations have not come under hostile fire.

Senator **Sasser.** Have the MTT's at either location ever come under hostile fire? If so, list the date and details of each instance.

Answer. No. MTT personnel at San Miguel and La Union were not subject to hostile fire which endangered American lives or properly. Concerning an attack on San Miquel in November 1983, no U.S. trainers came under attack, and no U.S. trainers engaged in hostilities, or were endangered by the terrorists. During two isolated incidents in March 1984, guerrillas initiated probing small arms attacks on the perimeter of the Salvadoran army garrison in San Miguel. The sporadic small arms fire was not directed at U.S. trainers who were present at the compound and they were not endangered. In February 1984, six rounds of small arms fire were directed at a Salvadoran naval formation within the Salvadoran naval compound at La Union. No U.S. personnel were present at the formation. They were in their quarters.

Salvadoran military authorities arrested an intoxicated individual who was suspected as being responsible for the firing. None of these incidents consisted of "significant hostilities or terrorist acts" which would require a report under Section 21(c) of the Arms Export Control Act or any other legislation.

Senator **Sasser.** Are any U.S. personnel in Honduras presently drawing hostile fire or imminent danger pay?

Answer. No U.S. personnel are drawing hostile fire or imminent danger pay for duty in Honduras.

Senator **Sasser.** Have any U.S. personnel (in Honduras) during the past year drawn hostile fire or imminent danger pay? List each instance where such pay was granted.

Answer. Yes. On 11 January 1984, a helicopter was downed in Honduran territory by ground fire originating inside Nicaragua. All service members aboard the helicopter were entitled to and were paid hostile fire pay, in accordance with Chapter 10 of the Department of Defense Pay Manual. Except for the case cited above, no other service members are known to have received either hostile fire pay or imminent danger pay solely on the basis of their service in Honduras.

Senator **Sasser.** Under what conditions would hostile fire or imminent danger pay be approved in Honduras?

Answer. Title 37 U.S.C., Pay and Allowances of the Uniformed Services, Section 310(a), as amended states the conditions as follows:

SPECIAL PAY: DUTY SUBJECT TO HOSTILE FIRE OR IMMINENT DANGER

(a) Except in time of war declared by Congress, and under regulations prescribed by the Secretary of Defense, a member of a uniformed service may be paid special pay at the rate of $65 a month for any month in which he was entitled to basic pay and in which he—

(1) was subject to hostile fire or explosion of hostile mines;

(2) was on duty is an area in which he was in imminent danger of being exposed to hostile fire or explosion of hostile mines and in which, during the period he was on duty in the area, other members of the uniformed services were subject to hostile fire or explosion of hostile mines;

(3) was killed, injured, or wounded by hostile fire, explosion of a hostile mine, or any other hostile action; or

(4) was on duty in a foreign area in which he was subject to threat of physical harm or imminent danger on the basis of civil insurrection, civil war, terrorism, or wartime conditions.

PRE-POSITIONED MATERIALS

Senator **Sasser.** Is there presently pre-positioned in Honduras any military equipment or supplies which will be transported to El Salvador once the Congress approved the $93 million supplemental or the President uses his draw-down authority?

Answer. No military equipment or supplies have been pre-positioned in Honduras for that purpose.

AIM-9 MISSILES

Senator Sasser. Does the U.S. plan to sell the AIM-9 missile to Honduras?

Answer. The Honduran Air Force has made no requests to purchase this system. If requested, the sale would be subject to the normal review process.

Senator Sasser. Does the U.S. plan to store for its own use or the use of the Honduran Air Force the AIM-9?

Answer. The U.S. has no plans to store AIM-9 missiles in Honduras.

TRAINING AIRCRAFT

Senator Sasser. The Honduran Air Force will be receiving new trainers from Brazil next month. How will the T-28's presently used by the Hondurans be disposed of?

Answer. The Government of Honduras has not provided any information on this subject.

Senator Sasser. Of the 11 T-28's in Honduras, how many of these were MAP or an FMS case? List each and date of approval. List the repayment schedule and outstanding balance.

Answer. The Honduran Air Force received 12 T-28 aircraft, 7 from FMS and 5 from MAP. One aircraft crashed in 1981 and is being used for parts. The FMS case has been paid in full.

Senator Sasser. Under what conditions can these T-28's be transferred to a third country?

Answer. Transfer of these aircraft is governed by section 505a of the Foreign Assistance Act and section 3a of the Arms Export Control Act.

Senator Sasser. $4.3 million is requested by the Army for a contingency facility at Palmerola. What units will be deployed to this facility?

Answer. Army aviation [deleted] units.

Senator Sasser. How long will these units be deployed to Palmerola?

Answer. Personnel could be deployed up to 179 days on temporary duty, but the exact length of time of the deployments has not been established.

Senator Sasser. What is the mission of the units to be deployed at this contingency facility?

Answer. [Deleted.]

Senator Sasser. Provide me with a description of the Operations Plan Number 6150 which is identified in the justification for this facility.

Answer. [Deleted.]

This unit could also be deployed to Central America prior to executing an OPLAN. This would be in response to increased tension in the area. [Deleted.] This would be a "contingency" use of the requested facilities. [Deleted.]

Under the new OPLAN, this facility will support the Army aviation. [Deleted] unit.

Senator Sasser. Design was initated on this project in May 1983. Was the Congress notified of the design of this project?

Answer. No, notification was not required.

Senator Sasser. Why aren't SEA huts or CAT huts sufficient for this project?

Answer. They will not provide minimum acceptable living and working conditions given the probable duration of the mission requirements.

DESIGN NOTIFICATION

Senator Sasser. Has the Department of Defense, in the past year, submitted to the Congress, any proposal to proceed with design of any facility under the jurisdiction of the Southern Command? If so, provide me with a copy of the letter submitted and all supporting documentation.

Answer. The Air Force submitted a proposal on 2 March 1984 to proceed with the design of an Aircraft Apron Addition at Howard AFB, Panama. A copy of the letter is attached.

O&M FUNDING OF CONSTRUCTION

Senator Sasser. Is it true that construction projects utilizing operations and maintenance funds cannot exceed $200,000 before formal congressional notification is made? Provide me with a copy of the law and regulations governing the use of operations and maintenance funds for construction.

Answer. In no instance can O&M funds be used to construct new permanent facilities costing $200,000 or more. New construction costing $200,000 or more must be constructed using MILCON funds and be approved on an individual basis by Congress, or in the case of projects funded by unspecified minor MILCON, the Department of Defense must follow the notification procedures established in law.

TITLE 10, UNITED STATES CODE

ARMED FORCES

(As Amended Through December 31, 1983)

§ 2805. Unspecified minor construction

(a) Within the amount authorized by law for such purpose, the Secretary concerned may carry out minor military construction projects not otherwise authorized by law. A minor military construction project is a military construction project (1) that is for a single undertaking at a military installation, and (2) that has an approved cost equal to or less than the amount specified by law as the maximum amount for a minor military construction project.

(b)(1) A minor military construction project costing more than 50 percent of the amount specified by law as the maximum amount for a minor military construction project may not be carried out under this section unless approved in advance by the Secretary concerned.

(2) When a decision is made to carry out a minor military construction project to which paragraph (1) is applicable, the Secretary concerned shall notify in writing the appropriate committees of Congress of that decision, of the justification for the project, and of the estimated cost of the project. The project may then be carried out only (A) after the end of the 21-day period beginning on the date the notification is received by the committees, or (B) after each such committee approves the project, if the committees approved the project before the end of that period.

(3) A project for the relocation of any activity from one installation to another that involves 25 or more full-time civilian employees of the Department of Defense but that is not subject to paragraph (1) may not be carried out under the authority of this section until the appropriate committees of Congress have been notified by the Secretary concerned of the intent to carry out such relocation under the authority of this section.

(c) Only funds authorized for minor construction projects may be used to accomplish unspecified minor construction projects, except that the Secretary concerned may spend from appropriations available for operation and maintenance amounts necessary to carry out an unspecified military construction project costing not more than 20 percent of the amount specified by law as the maximum amount for a minor military construction project.

(d) Military family housing projects for construction of new housing units may not be carried out under the authority of this section.

SAN LORENZO GUARDS

Senator SASSER. Will United States personnel be assigned to provide security for the pre-stock point?

ANSWER. No, security will be provided by the Honduran Armed Forces.

Senator SASSER. Please provide me with the 1391's for the Fiscal Year 1986 projects identified on page 675 of the Army justifications. Also provide me with the name of the locations for those facilities.

ANSWER. 1391's do not exist for the FY 1986 projects identified, nor are these projects under design. These non-site specific project titles were inserted during the Fiscal Year 1985–1989 Program Objectives Memorandum (POM) process for Fiscal Year 1986 to reserve funding for potential, yet to be determined, facility requirements.

EXERCISE CONSTRUCTION, HONDURAS

Senator SASSER. Has a parking apron and aircraft turnaround space been constructed at Aguacate?

ANSWER. The Department of Defense has not constructed an apron or an aircraft turnaround at Aguacate.

Senator SASSER. Are there plans by the Pentagon to construct a parking apron and aircraft turnaround at Aguacate.

ANSWER. There are no Department of Defense plans to construct aprons or turnaround areas at Aguacate.

Senator SASSER. Has the Southern Command granted approval to construct a parking apron and aircraft turnaround at Aguacate?

Answer. Southern Command provided additional work items to the Engineers at Aguacate to accomplish if manpower became available. These items included an aircraft parking area. No work was accomplished on any of the additional items. The Department of Defense has no program that requires additional temporary or permanent facilities at Aguacate.

Senator **Sasser.** Is there any U.S. owned construction equipment (bulldozers, road graders, compactors) stored at or near Aguacate?

Answer. The Department of Defense has no U.S. owned construction equipment stored at or near Aguacate.

Hon. John G. Tower,
Chairman, Committee on Armed Services,
U.S. Sentate, Washington, DC.

Dear Mr. Chairman: The attached notification of the intent to award Architect-Engineer (A-E) contracts for A-E services and construction design of military construction projects is forwarded in compliance with 10 USC 2807.

Sincerely,

(Signed) James F. Boatright,
Deputy Assistant Secretary of the Air Force
(Installations, Environment and Safety).

1 Attachment.
Notification of A-E Contract.

Hon. Mack Mattingly,
Chairman, Subcommittee on Military Construction, Committee on Appropriations, U.S. Senate, Washington, DC.

Dear Mr. Chairman: The attached notification of the intent to award Architect-Engineer (A-E) services and construction design of military construction projects is forwarded in compliance with 10 USC 2807.

Sincerely,

——— ———.

1 Attachment.
Notification of A-E Contract.

Notification of A-E Contract

Osan AB, Korea:	
Aircraft shelters.—Provides hardened aircraft shelters, access pavements and necessary support functions	$590,000
Beale AFB, CA:	
Aircraft apron.—Provides apron and necessary support functions	345,000
Hill AFB, UT:	
Energy Conservation Investment Program facility retrofit.—Alters facilities to decrease energy consumption	360,000
McChord AFB, WA:	
Alter unaccomplished enlisted personnel housing.—Alters facilities to provide adequate living area for unaccompanied enlisted personnel and necessary support functions	460,000
Howard AFB, Panama:	
Addition to aircraft apron.—Provides additional apron with hydrant refueling and necessary support	1,200,000
Various locations, Western CONUS:	
Over the Horizon-B Radar Transmitter and Receiver Facilities.—Provides emergency power, security fencing and necessary support at radar receiver and transmitter sites	1,440,000

Senator **Sasser.** Provide the same information for all Navy facilities in the Caribbean.

Answer The Navy submitted the following design notifications under Section 2807, P.L. 97-214, for the Caribbean area, since 1 January 1983:

Installation	Project	Date of notice
Classified location	Naval facilities	[1] Sept. 9, 1983
NS Roosevelt Roads Puerto Rico	Unaccompanied enlisted personnel housing	Aug. 11, 1983

[1] Withdrawn Sept. 20, 1983.

Copies of letters and supporting documents follow.

DEPARTMENT OF THE NAVY,
NAVAL FACILITIES ENGINEERING COMMAND,
Alexandria, VA, September 30, 1983.

Hon. JOHN G. TOWER,
Chairman. Committee on Armed Services,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The notification of intent to award an architect-engineer contract for design of a military construction project at Naval Support Facility, Classified Location, in the sum of $1,000,000 submitted to your office on 9 September 1983 is withdrawn.

Sincerely,

C. M. BRUNE,
Assistant Commander for
Military Construction Programming.

DEPARTMENT OF THE NAVY,
NAVAL FACILITIES ENGINEERING COMMAND,
Alexandria, VA, September 30, 1983.

Hon. JOHN G. TOWER,
Chairman. Committee on Armed Services,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The enclosed notifications of intent to award architect-engineer constracts for design of military construction projects are forwarded in compliance with 10 USC 2807 (b).

Sincerely,

C. M. BRUNE,
Assistant Commander for
Military Construction Programming.

Enclosure.

NOTIFICATION OF INTENT TO AWARD CONTRACTS IN EXCESS OF $300,000 FOR DESIGN OF PROPOSED MILITARY CONSTRUCTION PROJECTS, 10 U.S.C. 2807(b)

The Department of the Navy proposes to authorize the obligation of funds for the award of architect-engineer contracts which are in excess of the estimated amount of $300,000, for design of the following military construction projects:

Installation and State	*Estimated cost of the Architect-Engineer contract*
U.S. Naval Station, Rota, Spain (Dredging)	$340,000

This project provides for dredging of hard and soft materials in areas adjacent to three piers and the approach channel to the harbor at Rota, Spain. Dredged material will be disposed of at sea, or in areas designated for such disposal.

Naval Support Facility, Classified Location (Naval Facilities Construction)	$1,000,000

This project will provide waterfront structures, fuel supply structures, operations and personnel facilities. Construction will include berthing pier, dredging of pierside slips and fleet mooring; bulk tank storage, transfer pipelines and marine fueling facilities on pier; waterfront operations, administrative, communications, covered storage and personnel support facilities; and associated utilities and site improvements.

DEPARTMENT OF THE NAVY,
NAVAL FACILITIES ENGINEERING COMMAND,
Alexandria, VA, September 20, 1983.

Hon. MACK MATTINGLY,
Chairman, Subcommittee on Military Construction, Committee on Appropriations,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The notification of intent to award an architect-engineer contract for design of a military construction project at Naval Support Facility, Classified Location, in the sum of $1,000,000 submitted to your office on 9 September 1983 is withdrawn.

Sincerely,

C. M. BRUNE,
Assistant Commander for
Military Construction Programming.

DEPARTMENT OF THE NAVY,
NAVAL FACILITIES ENGINEERING COMMAND,
Alexandria, VA, September 9, 1983.

Hon. MACK MATTINGLY,
Chairman, Subcommittee on Military Construction, Committee on Appropriations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The enclosed notifications of intent to award architect-engineer contracts for design of military construction projects are forwarded in compliance with 10 USC 2807 (b).

Sincerely,

C. M. BRUNE,
Assistant Commander for
Military Construction Programming.

DEPARTMENT OF THE NAVY,
NAVAL FACILITIES ENGINEERING COMMAND,
Alexandria, VA, September 20, 1983.

Hon. MELVIN PRICE,
Chairman, Committee on Armed Services, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The notification of intent to award an architect-engineer contract for design of a military construction project at Naval Support Facility, Classified Location, in the sum of $1,000,000 submitted to your office on 9 September 1983 is withdrawn.

Sincerely,

C. M. BRUNE,
Assistant Commander for
Military Construction Programming.

DEPARTMENT OF THE NAVY,
NAVAL FACILITIES ENGINEERING COMMAND,
Alexandria, VA, September 9, 1983.

Hon. MELVIN PRICE,
Chairman, Committee on Armed Services,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The enclosed notifications of intent to award architect-engineer contracts for design of military construction projects are forwarded in compliance with 10 USC 2807 (b).

Sincerely,

C. M. BRUNE,
Assistant Commander for
Military Construction Programming.

DEPARTMENT OF THE NAVY,
NAVAL FACILITIES ENGINEERING COMMAND,
Alexandria, VA, September 20, 1983.

Hon. W. G. (BILL) HEFNER,
Chairman, Subcommittee on Military Construction, Committee on Appropriations, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The notification of intent to award an architect-engineer contract for design of military construction project at Naval Support Facility, Classified Location, in the sum of $1,000,000 submitted to your office on 9 September 1983 is withdrawn.

Sincerely,

C. M. BRUNE,
Assistant Commander for
Military Construction Programming.

Department of the Navy,
Naval Facilities Engineering Command,
Alexandria, VA, September 9, 1983.

Hon. W. G. (Bill) Hefner,
Chairman, Subcommittee on Military Construction, Committee on Appropriations, House of Representatives, Washington, DC.

Dear Mr. Chairman: The enclosed notification of intent to award architect-engineer contracts for design of military construction projects are forwarded in compliance with 10 USC 2807 (b).

Sincerely,

C. M. Brune,
Assistant Commander for
Military Construction Programming.

Department of the Navy,
Naval Facilities Engineering Command,
Alexandria, VA, August 11, 1983.

Hon. John G. Tower,
Chairman, Committee on Armed Services,
U.S. Senate, Washington, DC.

Dear Mr. Chairman: The enclosed notifications of intent to award architect-engineer contracts for design of military construction projects are forwarded in compliance with 10 USC 2807 (b).

Sincerely,

C. M. Brune,
Assistant Commander for
Military Construction Programming.

Estimated cost of the Architect-Engineer contract

Installation and State	
Naval Station, Roosevelt Roads, Puerto Rico (Unaccompanied enlisted personnel housing)	$440,000

This project will provide berthing facilities for enlisted personnel. Construction to be either cast-in-place concrete or modular units of reinforced concrete to withstand 138 MPH winds and zone 3 seismic forces. Supporting facilities include utilities, roads, parking and sidewalks. Demolition of various buildings is also included.

Naval Support Activity, Naples, Italy (Supply facilities)	$780,000

This project provides new buidings and structures for consolidated supply functions. Construction will include three industrial type buildings of structural steel or prefabricated reinforced concrete on concrete footings/piles with above grade concrete floor, office mezzanine, loading platforms, ramps and built-in storage aids. Supporting facilities include utilities, roads, turn-around area, parking spaces and site improvements. Demolition of various buildings is also included.

Department of the Navy,
Naval Facilities Engineering Command,
Alexandria, VA, August 11, 1983.

Hon. Melvin Price,
Chairman, Committee on Armed Services,
House of Representatives, Washington, DC.

Dear Mr. Chairman: The enclosed notifications of intent to award architect-engineer contracts for design of military construction projects are forwarded in compliance with 10 USC 2807 (B).

Sincerely,

C. M. Brune,
Assistant Commander for
Military Construction Programming.

Department of the Navy,
Naval Facilities Engineering Command,
Alexandria, VA, August 11, 1983.

Hon. Mack Mattingly,
Chairman, Subcommittee on Military Construction, Committee on Appropriations, U.S. Senate, Washington, DC.

Dear Mr. Chairman: The enclosed notifications of intent to award architect-engineer contracts for design of military construction projects are forwarded in compliance with 10 USC 2807(b).

Sincerely,

C. M. Brune,
Assistant Commander for Military Construction Programming.

Department of the Navy,
Naval Facilities Engineering Command,
Alexandria, VA, August 11, 1983.

Hon. W. G. (Bill) Hefner,
Chairman, Subcommittee on Military Construction, Committee on Appropriations, House of Representatives, Washington, DC.

Dear Mr. Chairman: The enclosed notifications of intent to award architect-engineer contracts for design of military construction projects are forwarded in compliance with 10 USC 2807 (B).

Sincerely,

C. M. Brune,
Assistant Commander for Military Construction Programming.

USE OF IMPROVED FACILITIES

Senator Sasser. Have any of the facilities improved or constructed by U.S. Forces in Honduras been utilized by a third country? If so, list each instance and the purpose of each use.

Answer. These facilities improved for excercise use are Honduran facilities and the use of these facilities is controlled by the Honduran Government. The only use of an improved facility by a third country that we are aware of is the Salvadoran Air Force. They used the Honduran airstrip at Trujillo before it was modified for exercise use and they are continuing to use it to deliver and pick up their troops being trained at the RMTC using their C–47 aircraft.

SOUTHERN AIR TRANSPORT

Senator Sasser. Has Southern Air Transport ever been granted take-off or landing rights at any of the facilities constructed or improved by U.S. forces? If so, provide me with a list of each instance and the purpose of each use.

Answer. The facilities in question are Honduran and requests for their use would be directed to the Government of Honduras. We have no knowledge of any such request.

FLIGHT FOLLOWING ASSISTANCE

Senator Sasser. Have the two deployed radar sites ever provided flight following assistance to a third country? If so, provide me with a list of each instance and a description of the flight following assistance provided.

Answer. No.

DEFENSE GUIDANCE

Senator Sasser. The Defense Week issue dated March 19, 1984, indicates that the latest *Defense Guidance* details a broader military involvement in Latin America. Provide me with a copy of all those sections of *Defense Guidance* which deal with Latin America and the Caribbean.

Answer. The new *Defense Guidance* builds on and adheres closely to Secretary Weinberger's previous statements that:

U.S. security interests in South America, Central America, and the Caribbean derive from the region's close geographic proximity to the United States, its strategic location astride vital shipping lanes, and its raw materiel resources.

A politically unstable region increases opportunities for Soviet-Cuban expansionism, and jeopardizes U.S. economic, political, and military interests.

The FY 1986–90 *Defense Guidance* published 2 March 1984 repeats the identical Western Hemisphere policy of the previous year with the following additions. The new guidance also points out that Central America is important to U.S. security because of the Panama Canal, the danger of Soviet/Cuban presence, and the impact of developments there on Mexico. The *Defense Guidance also includes the following objectives:*

Combined military exercises with local military forces, as appropriate.

U.S. support of collective actions for intraregional cooperation, rationalization, standardization, and interoperability.

Secretary Weinberger had stated in this connection that:

We will also continue a vigorous exercise program in Latin America and The Caribbean in order to provide necessary training for U.S. froces as well as demonstrate our ability to support friends and allies in the region.

Our security was strengthened by restored good relations with Grenada and closer ties to other neighbors, and our Caribbean Basin Initiative is underway, holding out new promise in a vital region.

MILITARY AIRCRAFT STORAGE AND DISPOSITION CENTER, ARIZONA

Senator **Sasser**. What is the procedure for reducing the inventory at this facility?

Answer. In many cases, inventory is reduced by returning the aircraft to the services. Aircraft are also sold to other countries through the Foreign Military Sales Program or the Military Assistance Program. The third procedure is through a reclamation process where useable components are removed and shipped to the services. Then commerical type aircraft are either donated by GSA to an authorized recipient or put up for bid by the Defense Property Disposal Office (DPDO). Tactical aircraft are totally destroyed.

Senator **Sasser**. What is the procedure for transferring these aircraft to (1) a private individual or corporation; (2) another government agency; (3) another country.

Answer. Private individuals or corporations bid on aircraft which are sold by the DPDO; (2) GSA donates aircraft to authorized government agencies; (3) other countries obtain aircraft through the Foreign Military Sales Program or the Military Assistance Program.

Senator **Sasser**. Provide me with a fact sheet for each of the 29 T-28's which have been taken out of the inventory. Include the following in the fact sheet: To what person, corporation, other government agency, country or para-military organization were the planes transferred? What was the date of the transfer? Where are each of the planes located as of the date of this hearing? When were the planes physically removed from the Arizona facility? Where were they initially taken to? Have U.S. Government, or personnel of any U.S. government agency provided training to individuals not U.S. citizens on any of these aircraft taken from the inventory in the past year? If so, list where this training occurred or is occurring and the nationality of each of the pilots? Provide the amount paid for each aircraft and the method and schedule of payment.

Answer. In 1979, fifty-one T-28's went through a programmed reclamation process in which useable components such as engines, instruments, radio equipment, nose struts and cockpit enclosure were removed. The value of the components which were returned to the supply system was $1.1 million. Forty-six of the airplanes frames were turned over to DPDO who sold them on May 10, 1982 to Smith and Smith of New Orleans for $170 thousand. Although the Department does not maintain control of aircraft after they are sold, these planes were probably procured for parts only because they were extensively cannibalized. The remaining five airplane frames were transferred by GSA for exhibition purposes. On October 27, 1982, one was donated to the World Aircraft museum which is sponsored by the State of Georgia. On February 12, 1982, two were donated to the Pima Air Museum in Tucson, Arizona and the remaining two were transferred to Air Force museums. No training was provided on any of the aircraft.

Senator **Sasser**. Provide me with a list of all site surveys which have been conducted by the U.S. engineers or Honduran engineers at locations considered by the U.S. Southern Command for the possible construction of a C–130 capable airstrip.

Answer. U.S. engineers conducted site surveys at Aguacate, San Lorenzo and Trujillo in preparation for AHUAS TARA II. Similar surveys have been conducted at Cucuyagua and Jamastran in preparation for GRANADERO I.

Senator **Sasser**. List each instance, if any, where an AC-130 gunship under the ownership or control of any U.S. government agency, has utilized the airstrip at Aguacate?

Dr. **Korb**. There have been no such instances.

Senator **Sasser**. Were any AC-130 gunships utilized during Big Pine II?

Dr. **Korb**. No.

Senator **Sasser**. If so, were these aircraft armed?

Dr. **Korb**. N/A.

Senator **Sasser**. Has any other facility constructed or improved by the United States in Honduras been utilized by an AC-130?

Dr. **Korb**. No.

PALMEROLA AIR BASE, HONDURAS—FORWARD MUNITIONS STORAGE AREA

Senator **Sasser**. List each item and quantity which will be stored at this facility at Palmerola.

Answer. Specific types and quantities of munitions which could be placed in the bunkers are currently under review. It is envisioned that items would include a representative cross-section of conventional munitions.

Senator **Sasser**. Will U.S. troops provide security for this facility?

Answer. No. It will be provided by the Honduran Armed Forces.

[Whereupon, at 4:35 p.m., the subcommittees adjourned, to reconvene at 3 p.m., Wednesday, March 21, 1984.]

MILITARY CONSTRUCTION AUTHORIZATION AND APPROPRIATION, FISCAL YEAR 1985

WEDNESDAY, MARCH 21, 1984

U.S. SENATE, SUBCOMMITTEE ON MILITARY CONSTRUCTION OF THE COMMITTEE ON ARMED SERVICES AND THE SUBCOMMITTEE ON MILITARY CONSTRUCTION OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittees met at 3 p.m., in room S-126, the Capitol, Hon. Strom Thurmond (chairman of the Military Construction Subcommittee of the Committee on Armed Services) and Mack Mattingly (chairman of the Military Construction Subcommittee of the Committee on Appropriations) presiding.

Present: Senators Thurmond, Warner, Bingaman, Mattingly, and Sasser.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE ARMY

STATEMENT OF MAJ. GEN. NORMAN G. DELBRIDGE, JR., ASSISTANT CHIEF OF ENGINEERS, OFFICE OF THE CHIEF OF ENGINEERS, DEPARTMENT OF THE ARMY

INTRODUCTION OF WITNESSES

Senator MATTINGLY. The meeting will come to order.

This afternoon, we are going to continue with the hearings on the fiscal year 1985 military construction budget by receiving testimony in support of the Army construction program. I am pleased to be able to hold these hearings in joint session with the Armed Services Subcommittee on Military Construction, and work with its distinguished chairman, Senator Thurmond from South Carolina.

As we mentioned yesterday, joint hearings are beneficial to all parties concerned, yet still provide us with the valuable record on the budget process.

We extend a warm welcome to our Army witnesses today, Major General Delbridge, Assistant Chief of Engineers, who will address the overall Army Program, General Dean, Deputy Director of the Army National Guard, and General Mott, who is the Deputy Chief of the Army Reserve.

I understand that each of you has prepared testimony, which will be made part of the record, along with any comments that you care to make in your opening remarks.

BUDGET REQUEST

The Army's request for new budget authority is $1.9 billion for the construction account, and $1.4 billion for the family housing account. In addition, the Guard has a request for $88.9 million, and the Reserve request is $70.4 million. Each of these figures represents a substantial increase over last year's appropriation.

I know that General Delbridge has his usual colorful and informative slide presentation ready to go, but prior to beginning, I would like to note that, barring any additional hearings, this will be General Delbridge's last appearance before us in his current position.

I understand, General, that you will be moving on during the summer, after nearly 4 years in this job.

He and I went through our first military construction hearings together, although our roles are slightly different. I want to commend you for your fine testimony in support of the Army program in the years that we have been together. I understand that under your leadership, the Army construction program has finally received attention at the highest levels of the Army by being a major part of the Army program budget process.

I know I am speaking for the entire subcommittee, and also for the Subcommittee on Armed Services in wishing you the very best in your future endeavors, and I thank you for your assistance in the past 4 years.

I know that Senator Thurmond is not here yet, but I think we are ready for your testimony now.

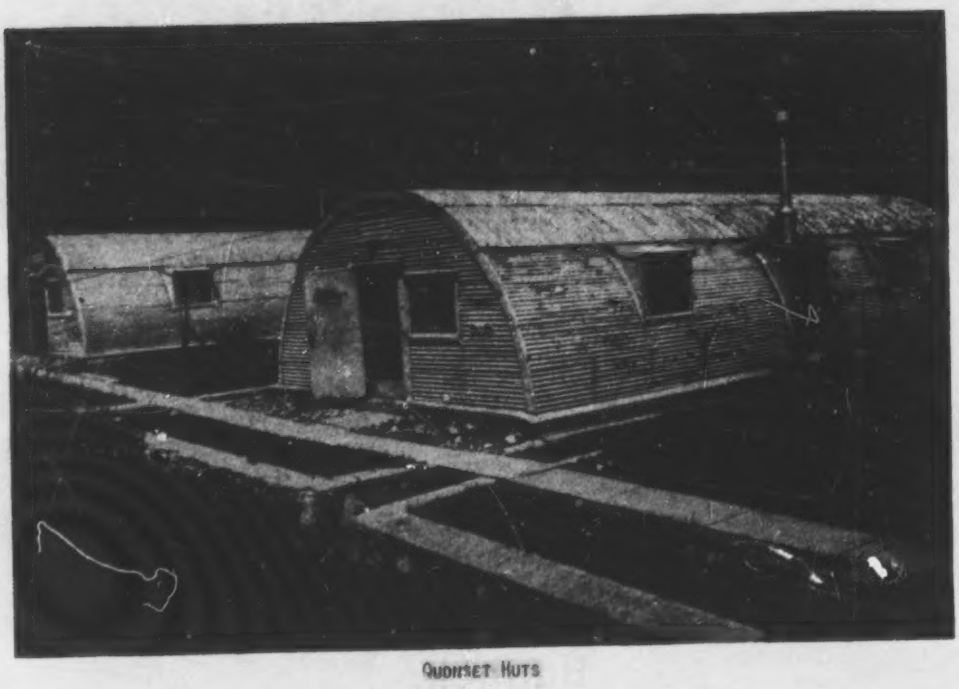
General DELBRIDGE. Thank you, Mr. Chairman. I appreciate your comments, sir.

I will need a little more light than I have now. It is a little hard to read without the light.

[Laughter.]

INTRODUCTION OF ASSOCIATES

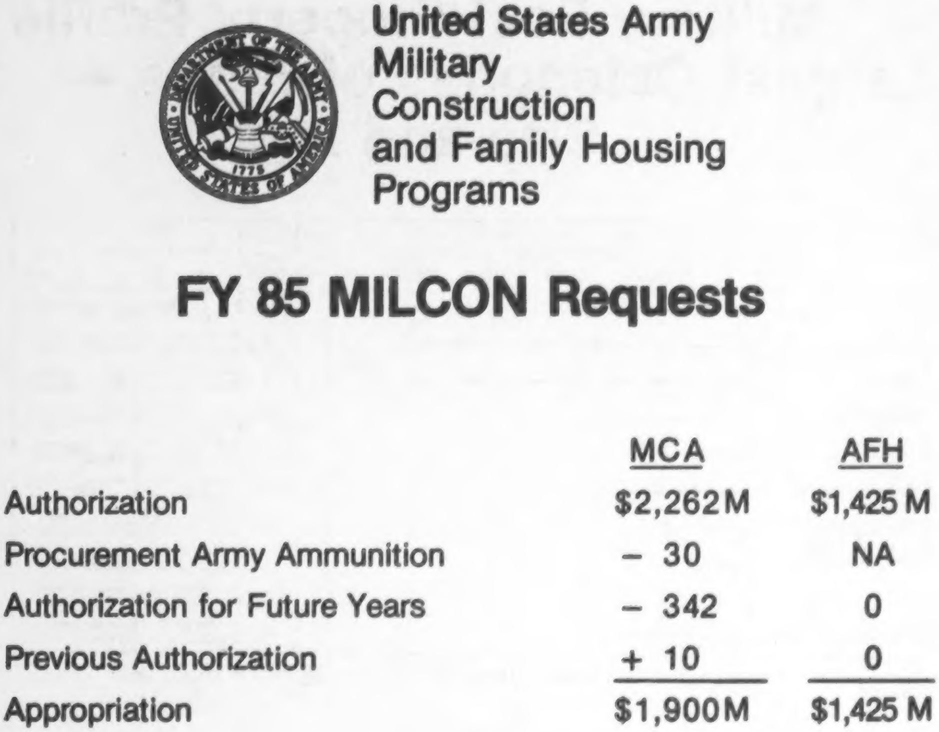
General DELBRIDGE. I am pleased to appear before the committee, Mr. Chairman, and present the Army's portion of the annual military construction authorization and appropriation request. Accompanying me at the table are Mr. Allen Carton, who is the Deputy Assistant Chief of Engineers, and Lt. Col. James Harvey, from the program division of my office.



QUONSET HUTS

WOODEN BARRACKS

SLIDE 13



United States Army
Military
Construction
and Family Housing
Programs

FY 85 MILCON Requests

	MCA	AFH
Authorization	$2,262M	$1,425 M
Procurement Army Ammunition	– 30	NA
Authorization for Future Years	– 342	0
Previous Authorization	+ 10	0
Appropriation	$1,900M	$1,425 M

SLIDE 1

FISCAL YEAR 1985 MILCON REQUESTS

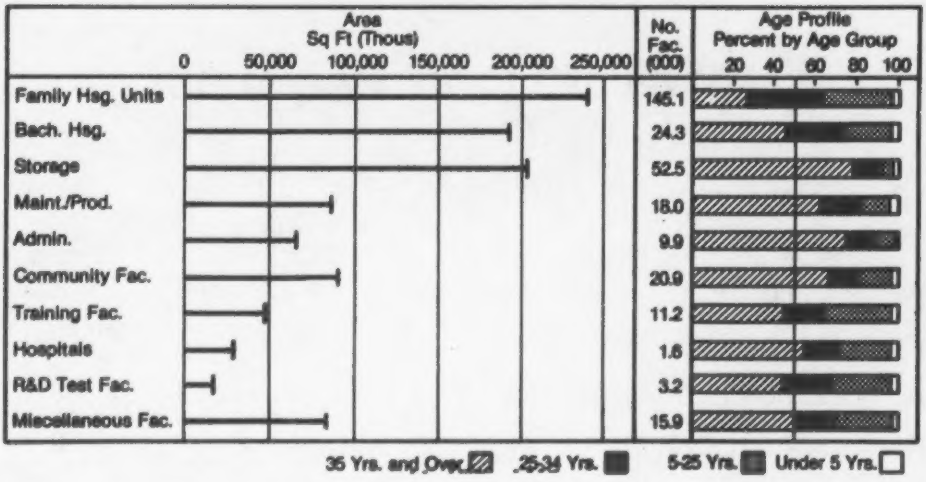
Mr. Chairman, the fiscal year 1985 military construction budget includes a request for total authority somewhat over $2.2 billion. The fiscal year 1985 Army family housing budget includes a request for total authority of over $1.4 billion. Approval of these requests will permit us to continue the program to improve the Army's facilities that you endorsed in approving the 1984 Army MILCON Program.

Our MCA authorization request includes a companion appropriation request of $1.9 billion. The authorization request includes $30 million for construction at Army ammunition plants that is part of the authorization request, but is appropriated in the Defense Appropriation Act.

However, it does not include $10 million for projects previously authorized in fiscal year 1983. The full authorization of $353 million for Madigan Army Medical Center is being requested, but only $11.2 million in appropriation is needed for the first year.

The Army family housing authorization request is the same as the appropriation request.

Military Real Property Profile Largest Categories of Bldgs,— Size and Age



SLIDE 2

FACILITIES INVENTORY

Our request this year, Mr. Chairman, continues the Army's efforts to overcome the shortfall and unsatisfactory living and working conditions of our soldiers and their families. Our current inventory of facilities, as shown by this chart, averages 37 years. As this inventory continues to age, we are forced to choose between requesting increases in construction to replace them, or to continue to accept a substandard quality of life and ever increasing maintenance costs.

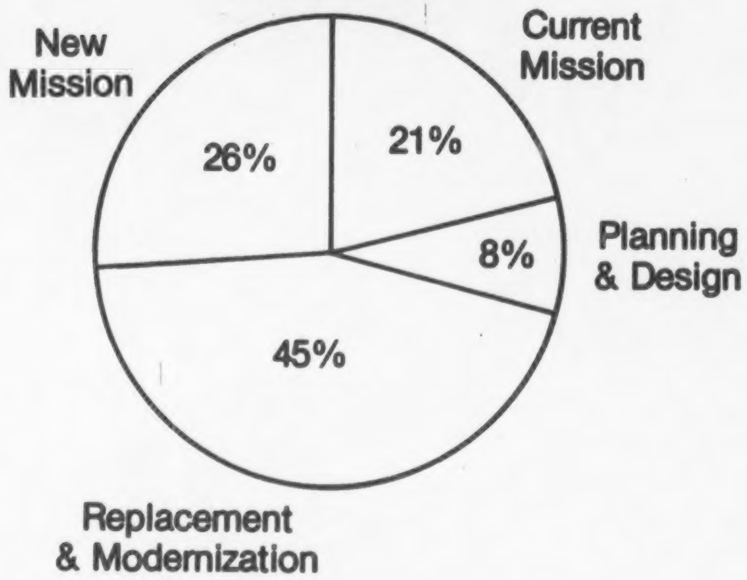
CONGRESSIONAL CONCERN OVER BACKLOG OF CONSTRUCTION REQUIREMENTS

Last year, during the congressional hearings, Congress agreed and expressed its concern over the large backlog of construction requirements as it adversely affects living and working conditions of our soldiers. The large increase—which has been questioned in a number of committees—in this year's program is a deliberate effort by the Army to shift a higher percentage of its total pie into the facilities accounts to reverse the trends of decades of neglect.

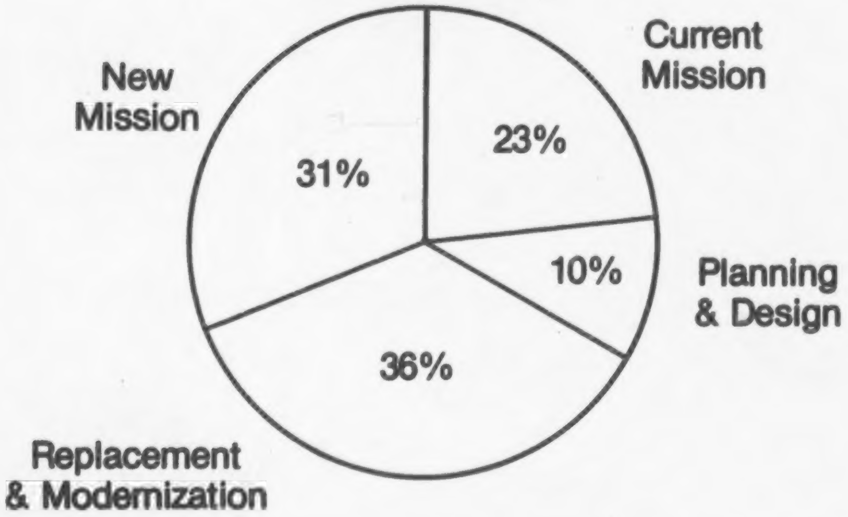
For example, one-third of this program, Mr. Chairman, is dedicated just to barracks and maintenance facilities alone. If you consider the Army's total inventory of $150 billion, and assumed an average life of 50 years, we would need $3 billion in MCA just to stay even. Looked at in this context, our increase is quite modest. This year's program continues to address these needs, and after showing you initially how and where our request is structured, I will show you how the Army, with your help, has progressed in the various functional areas, how the fiscal year 1985 program contributes, and what remains to be done.

FY 85 MCA Program by Mission

$2,262M



$1,900M

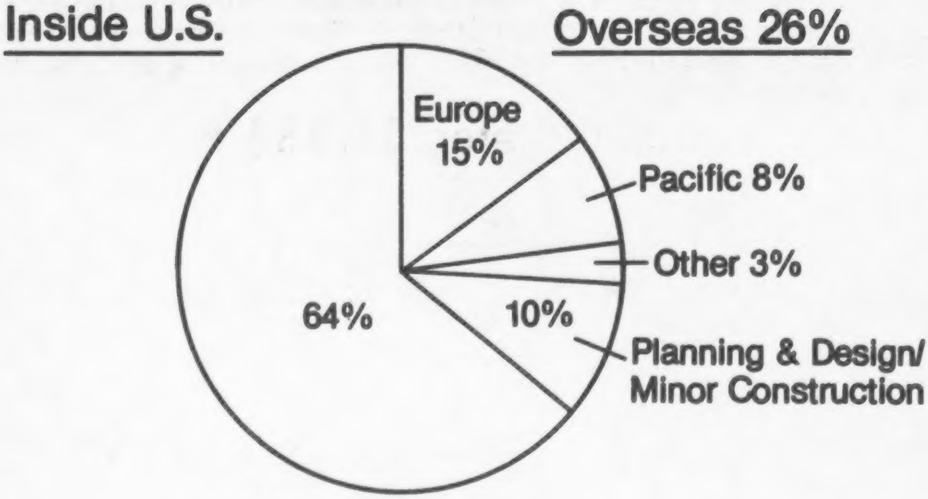


Slide 3

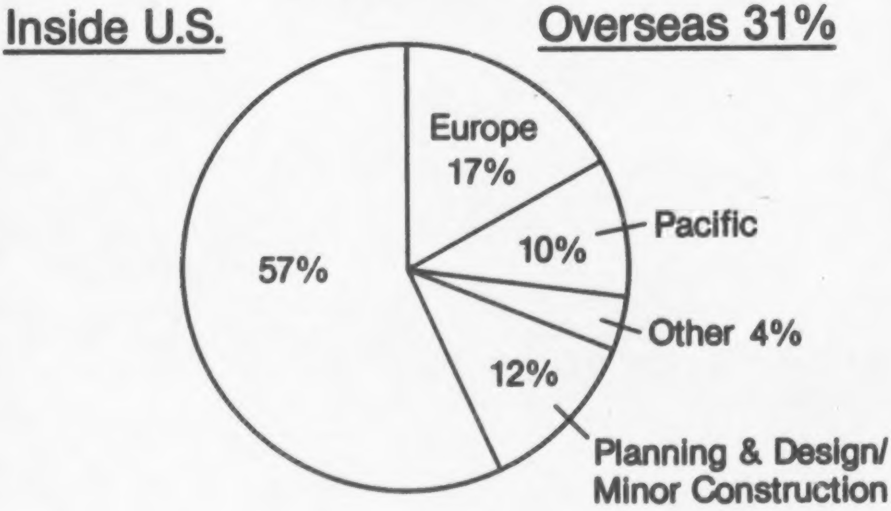
FISCAL YEAR 1985 MCA PROGRAM NEEDS

First, this is how we are addressing the Army's needs in fiscal year 1985 MCA program. Above is the authorization allocation and below is the appropriation allocation. Forty-five percent of authorization or 36 percent of appropriation, the largest share of our request, goes to the replacement or renewal of this aging plant. Nearly one-quarter of this budget goes to a nearly identical purpose, correction of current mission shortfalls, while another $584 million goes to meet Army initiatives for force modernization. An additional $190 million is for planning and design to accomplish this program.

FY 85 MCA Program
Inside U.S. vs. Overseas
$2,262 M



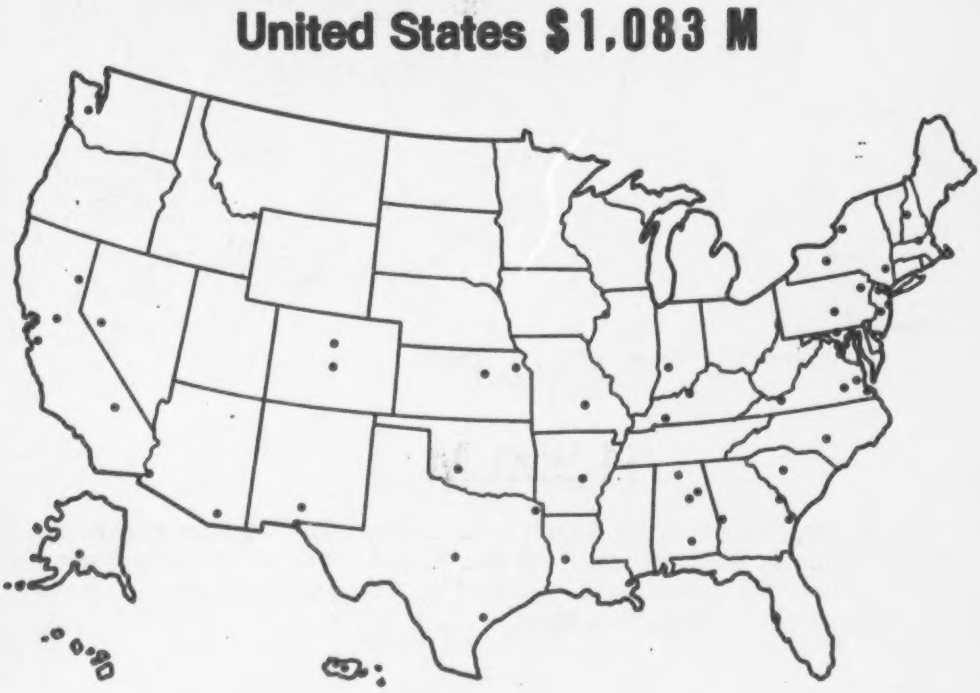
$1,900 M



Slide 4

GEOGRAPHIC BREAKDOWN OF REQUEST

Looking at our request geographically, again with the authorization above and the appropriation below you will note that the vast majority of this program is inside the United States, whereas less than one-third is overseas. This represents no diminution of our emphasis on the needs of our forward deployed soldiers but rather the addition here at home of emphasis on the replacement and modernization of our physical plant. The remaining $223 million is for planning and design and unspecified minor construction whose locations have yet to be determined.



SLIDE 5

APPROPRIATION PROGRAM INSIDE UNITED STATES

The appropriation program inside the United States represents 205 projects at Army installations which are located as shown in the slide above. There is a good representation in all parts of the country.

Europe $332 M

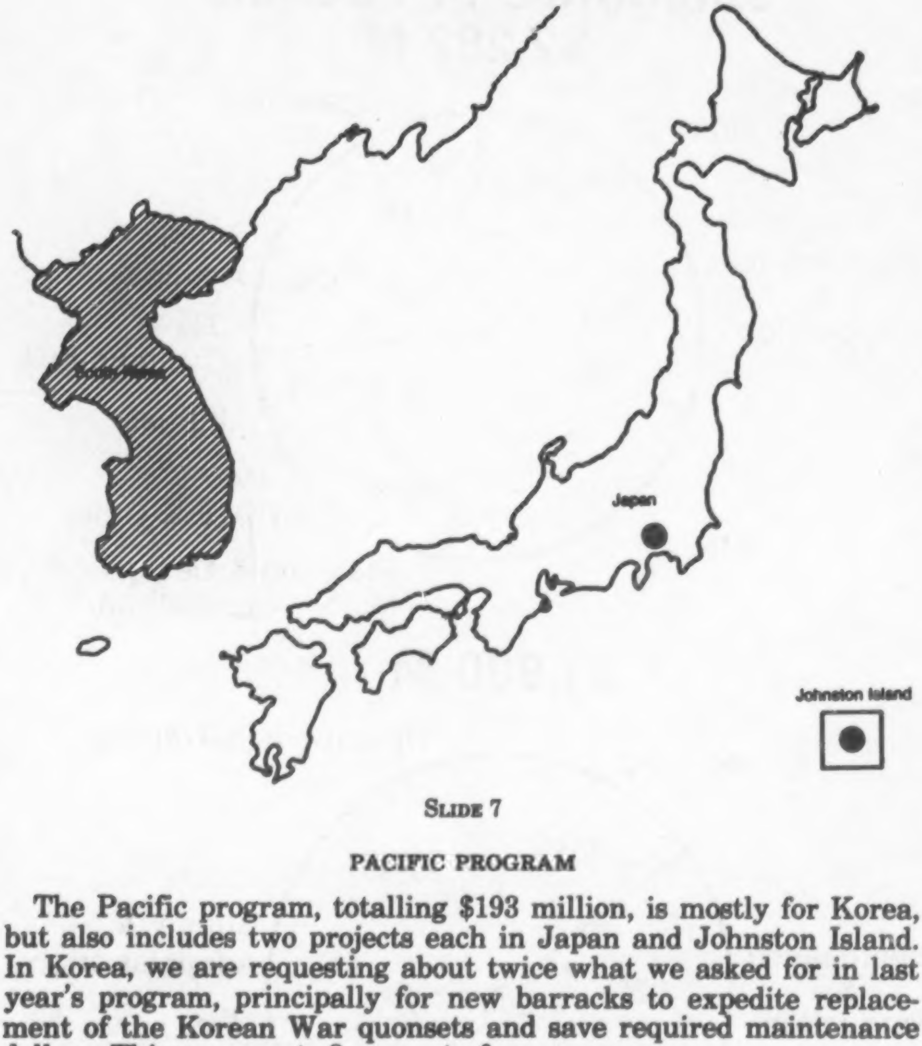
West
Germany
Greece

SLIDE 6

OVERSEAS PROGRAMS

The European program totals $332 million for projects located in West Germany and Greece. This is a slight increase in dollars over fiscal 1984 and represents 17 percent of this year's program. There are no projects in Italy this year.

Pacific $193 M

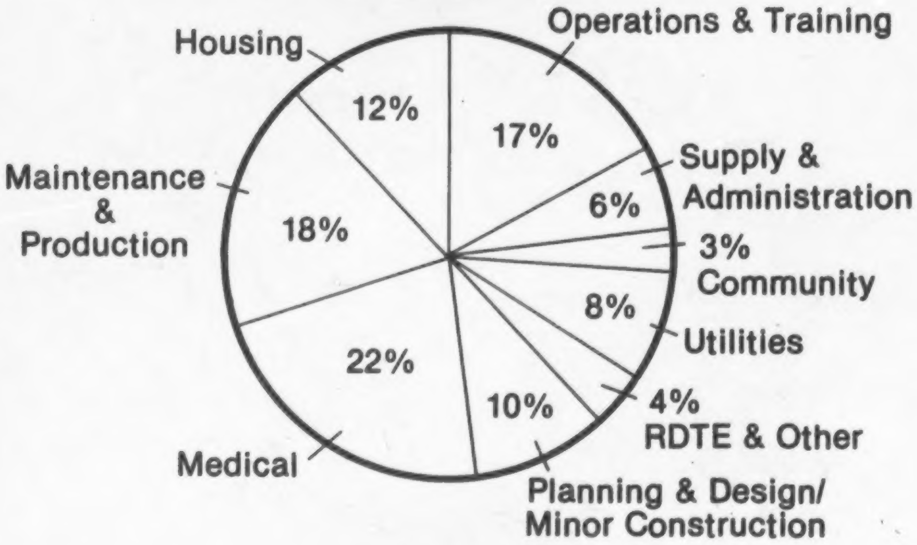


SLIDE 7

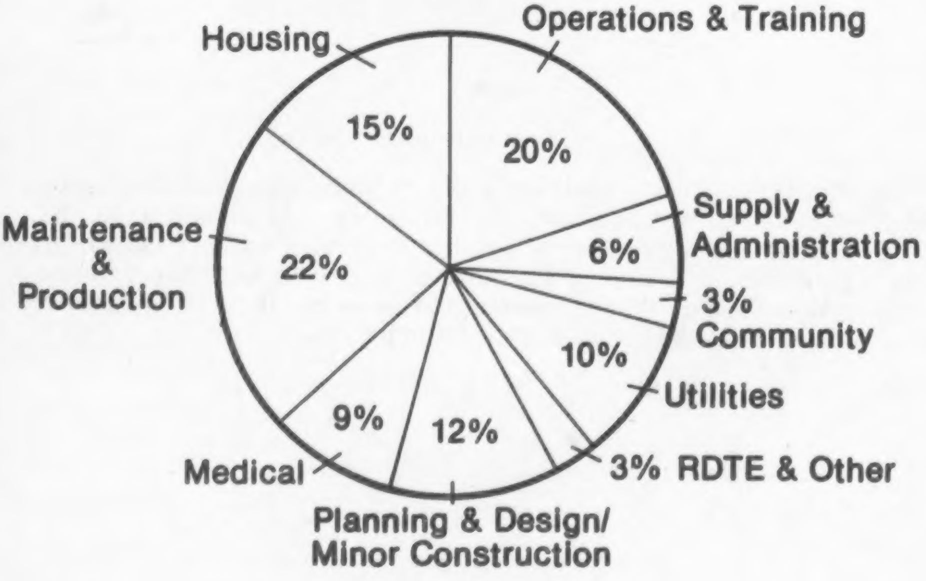
PACIFIC PROGRAM

The Pacific program, totalling $193 million, is mostly for Korea, but also includes two projects each in Japan and Johnston Island. In Korea, we are requesting about twice what we asked for in last year's program, principally for new barracks to expedite replacement of the Korean War quonsets and save required maintenance dollars. This represents 8 percent of our program.

FY 85 MCA Program
Categories of Facilities
$2,262 M



$1,900 M



MCA FACILITIES

Let us look now at the MCA progam by grouping the projects in the various categories of facilities, with the authorization above and the appropriation below. We are presenting a balanced program to meet our operational and readiness needs, as well as improving the quality of life of our soldiers. The relatively high percentage for medical is due to requesting the full authorization for Madigan Hospital this year.

FY 85 MCA Program By Categories of Facilities

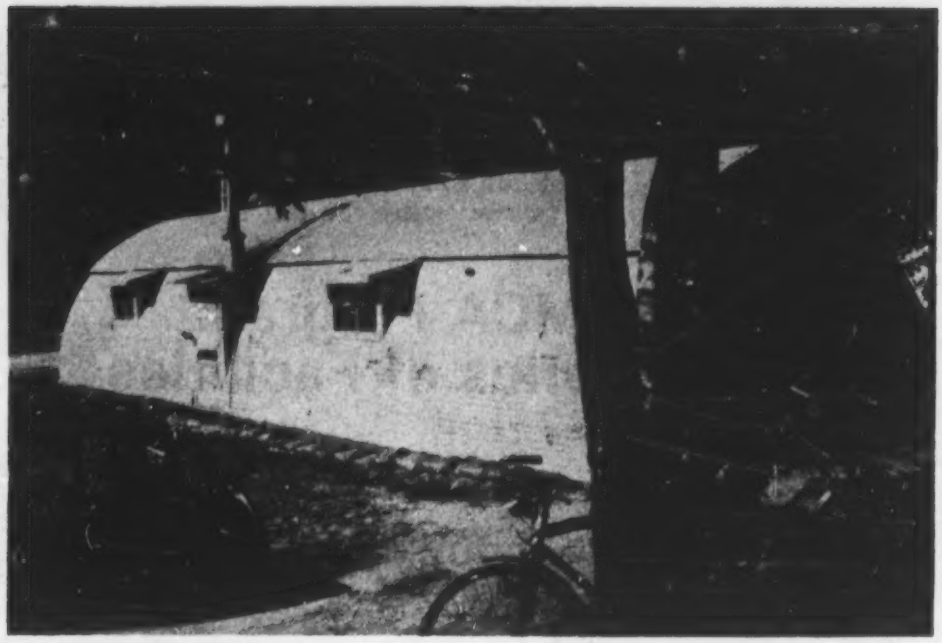
Housing	$ 277 M
Maintenance & Production	415
Operations & Training	381
Medical	165
Supply & Administration	128
Community	62
Utilities	190
RDTE & Other	59
Design & Minor	223
Total	$1,900 M

SLIDE 9

CATEGORIES OF FACILITIES

Specific appropriation dollars for these categories are shown above. I will show you these various categories of facilities and summarize the progress we have made, with the help of Congress, over the past 3 years, the contribution of the fiscal year 1985 program, and the balance of our needs after fiscal year 1985. To simplify the presentation, I will use the appropriation amounts as I go through these categories of facilities.

In all cases, Mr. Chairman, the pictures I show are the actual facilities which will be replaced or modified by this year's program.



SLIDE 10

HOUSING

Our first category is housing. Where a soldier lives in peacetime has the most dramatic effect on morale and retainability. We still have over 80,000 soldiers living in World War II and Korean Quonsets such as this shown above.

SLIDE 11

SCHWEINFURT, GERMANY BARRACKS

Over the past 3 years we have, with your help, initiated or completed construction of over 27,000 spaces. An example of recently completed barracks is this one (slide 11) at Schweinfurt, Germany, for 342 soldiers.

Barracks

Problem - House the Soldier Properly

Approved -	FY 82	8,174 Spaces
	FY 83	9,226 Spaces
	FY 84	9,816 Spaces
FY 85 Program		14,232 Spaces

$277 M 15%

FY 85 MCA Program Barracks

U.S.	$162 M
Europe	63
Pacific	52
	$277 M

Slide 12

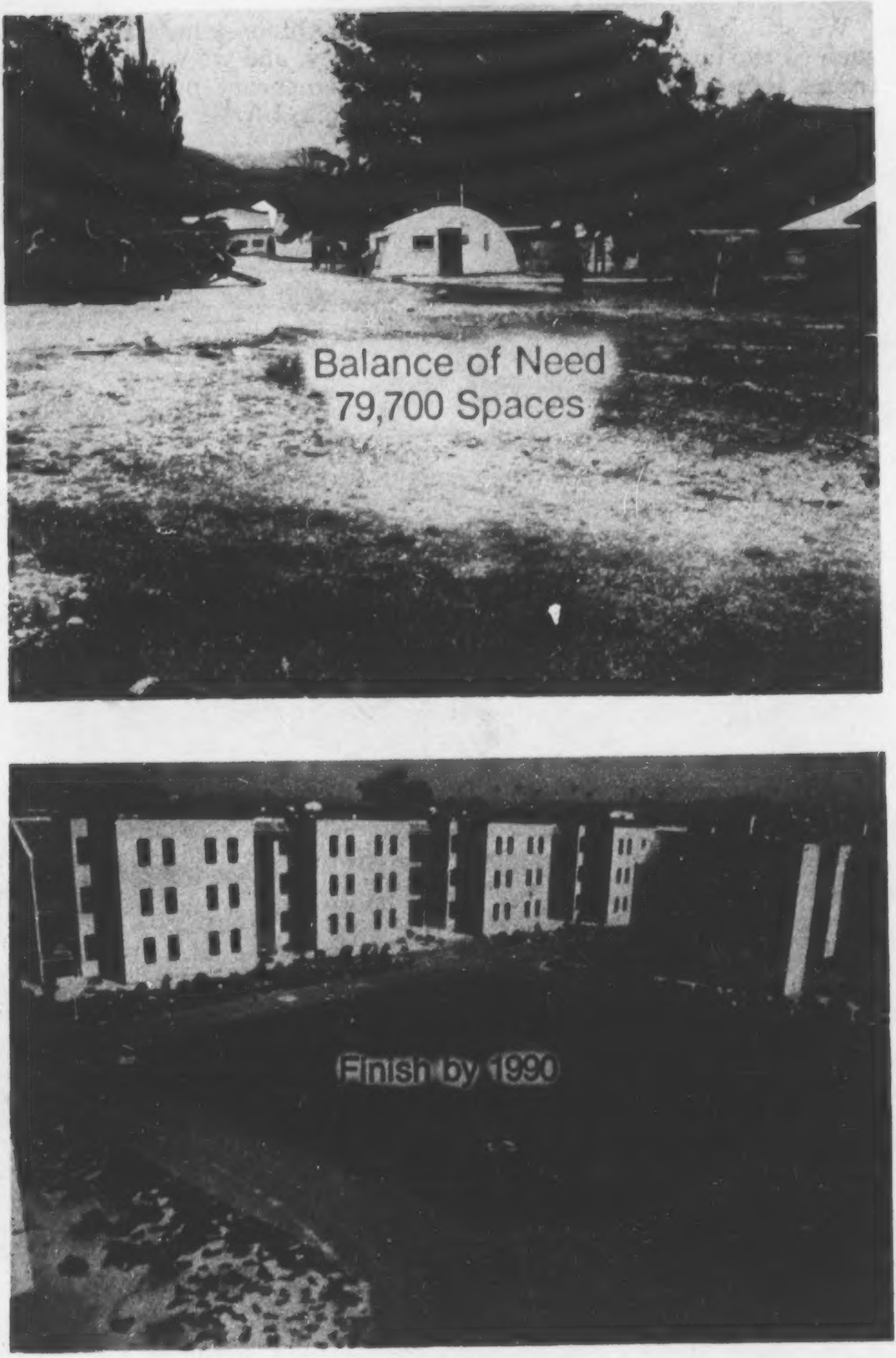
BARRACKS PROGRAM

Our fiscal year 1985 barracks program shows a significant increase in the number of barracks spaces provided. Barracks alone represents 15 percent of our total program this year. We are increasing our effort to replace the World War II wooden barracks in the United States, while at the same time emphasizing housing.

For example the $52 million in the Pacific, or the Korea theater, represents nearly half of their total program which is twice that of fiscal year 1984.

CURRENT LIVING CONDITIONS

We still have, however, troops living in Quonset huts in Korea, such as the one shown above at Camp Casey, and we will also have troops living in World War II wooden temporary buildings with open bays such as the one below at Fort Polk, LA.



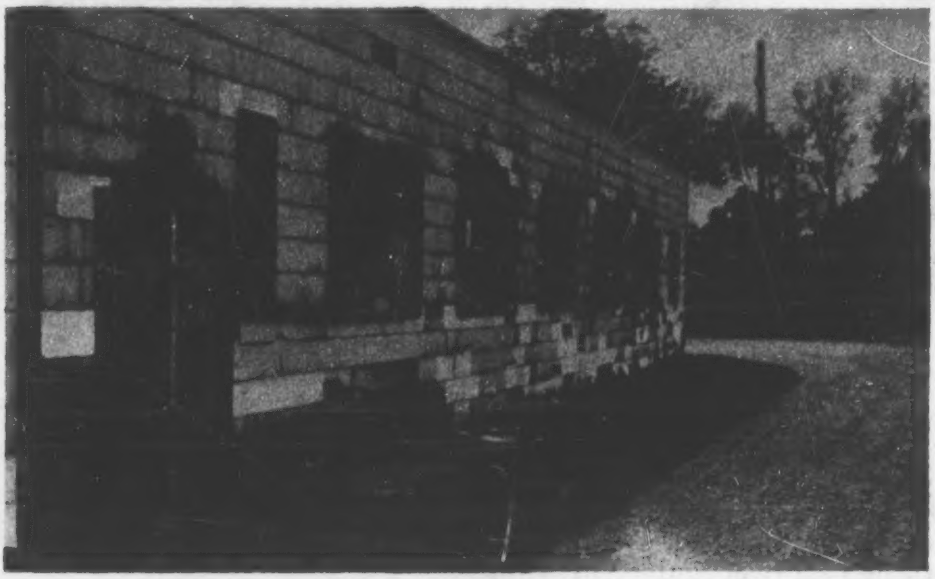
Balance of Need
79,700 Spaces

Finish by 1990

SLIDE 14

HOUSING DEFICITS AND PROJECTED COMPLETION

After fiscal year 1985, the balance of our housing needs will be just under 80,000 spaces. The Army is committed to eliminating this deficit by 1980. This represents an acceleration of last year's plans. During hearings before Congress last year, the Army was encouraged to program for 15,000 spaces per year. We feel we have complied with that guidance. This level of programming will eliminate our deficit by 1990.



SLIDE 15

MAINTENANCE

The next category is maintenance, primarily tactical equipment shops, where our soldiers work and maintain readiness of their equipment. This category impacts significantly on both the readiness of the Army and the quality of life of our soldiers.

Along with barracks improvements, our working condition has the greatest impact on soldier's morale and retention. Together those two categories, as I mentioned earlier, represent a third of our total program presented to you this year.

SLIDE 16

TACTICAL EQUIPMENT SHOPS

Over the last 3 years we have, with your help, initiated or completed construction of nearly 100 new tactical equipment shops. This is a good start to getting our soldiers out of the mud and fostering an improved level of maintenance for an increasingly sophisticated array of equipment.

Maintenance (Tactical Equipment Shops)

Problem - Provide Adequate Working Conditions

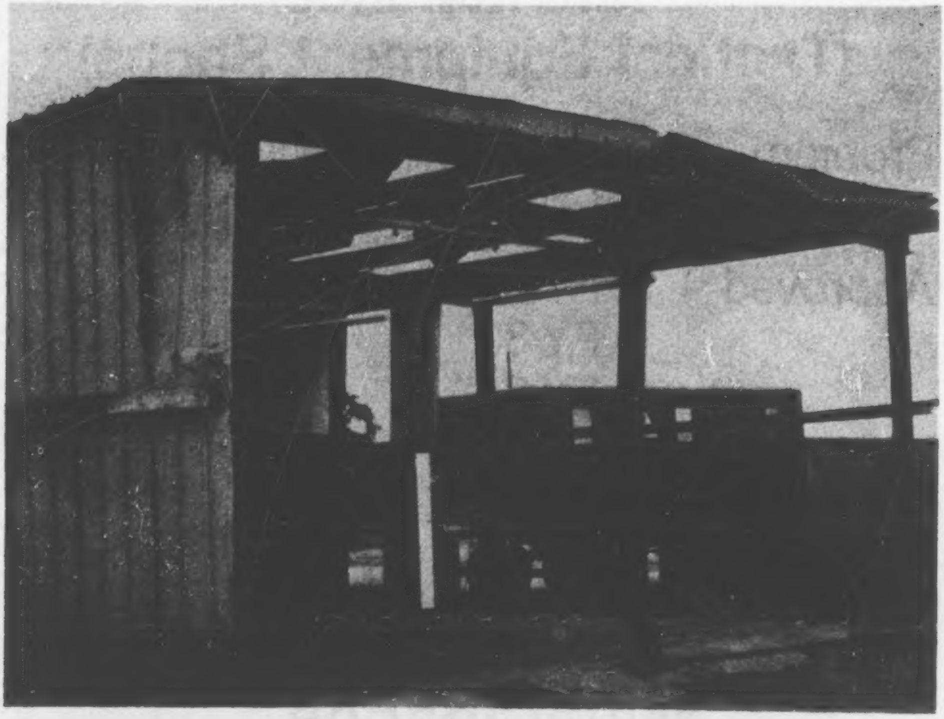
Approved -	FY 82	31
	FY 83	32
	FY 84	36
FY 85 Program		37
	$315 M	17%

FY 85 MCA Program Maintenance

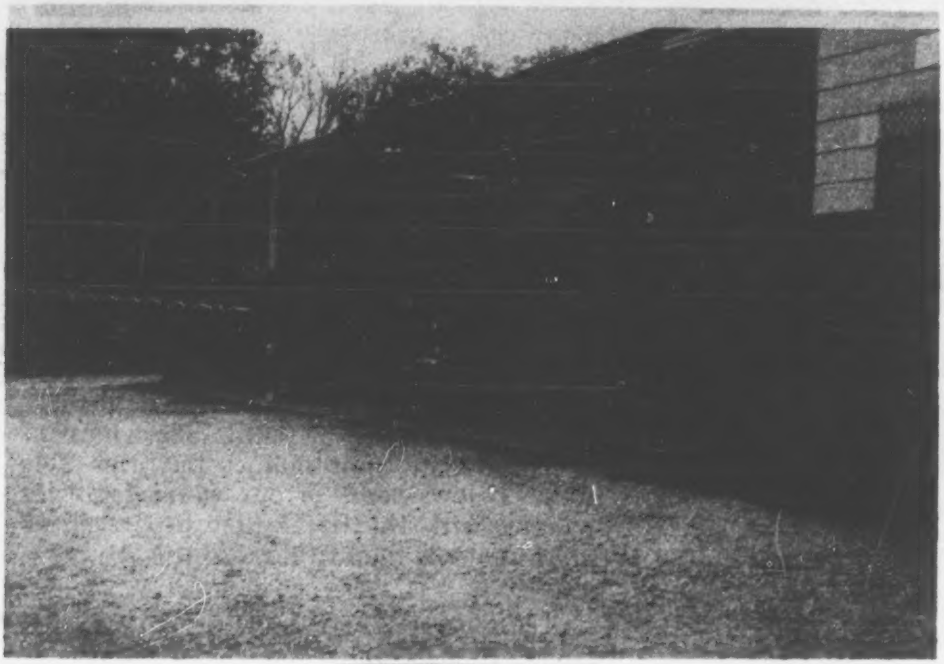
U.S.	$167 M
Europe	134
Pacific	14
	$315 M

Slide 17

The emphasis on maintenance continues in fiscal 1985 where 17 precent or $315 million is allocated to maintenance facilities. The geographic breakout is shown below. Some of our worse facilities are located in Germany where, with the fiscal 1985 program, we will get about half of our maintenance facilities out of the mud.



SCHOFIELD BARRACKS CORRUGATED METAL BUILDING



FORT RILEY, KANSAS FACILITIES

SLIDE 18

FACILITIES

Facilities in the United States, which would be replaced with this year's program, are similar. Pictured above is a typical corrugated metal building used for maintenance at Schofield Barracks. The picture below is of facilities at Fort Riley, KS. Keep in mind that all of the pictures that you see will be replaced with the 1985 program.

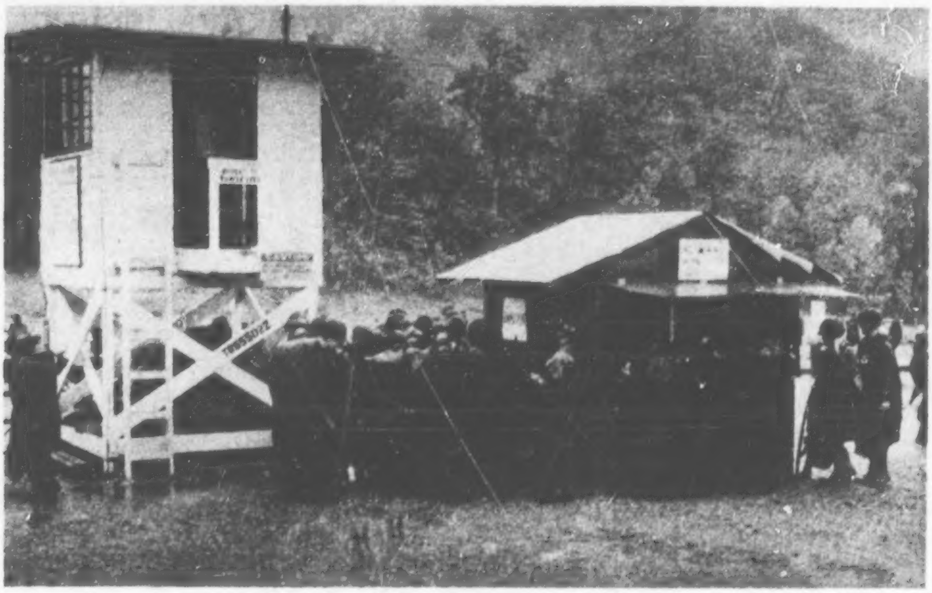
Balance of Need
236 Tactical Equipment Shops

Finish by 2000

Slide 19

TACTICAL EQUIPMENT SHOPS

There are still 236 tactical equipment shops remaining to be done. Current programming projects eliminating the maintenance facility deficit by the year 2000.



Slide 20

ARMY READINESS

The readiness of our Army is largely dependent on how well our soldiers are trained. An increasingly important factor in training, brought about by the improved capability of our equipment, is proper facilities and adequate ranges.

Training

Problem - Train the Soldier

Approved -

	Ranges	Simulators	Instruct
FY 82	3	2	9
FY 83	10	2	16
FY 84	14	3	21
FY 85 Program	18	7	14

$166 M 9%

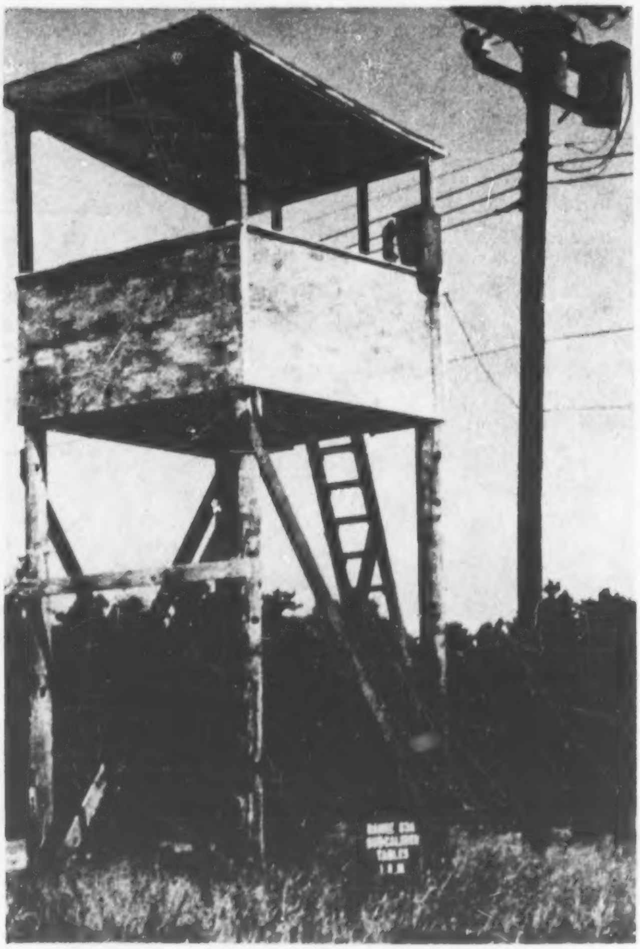
U.S.	$144 M
Europe	8
Pacific	14
	$166 M

SLIDE 21

MAJOR TRAINING FACILITIES

A wide variety of training facilities are required. Shown here are the major training facilities approved by the Congress over the past 3 years.

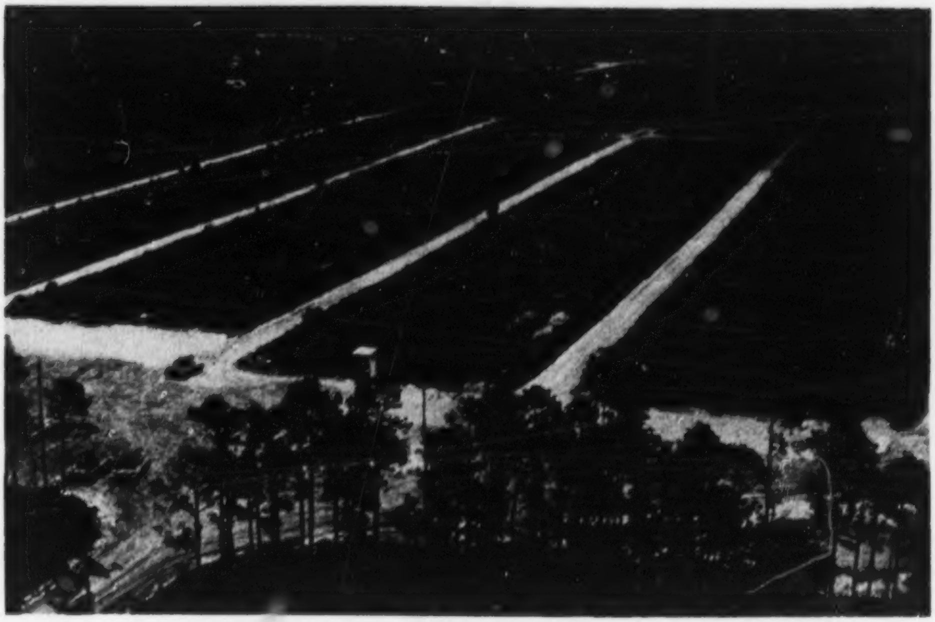
This year's program, $166 million, located principally in the United States, represents 9 percent of our program. We are placing increased emphasis on simulator facilities because of the economic and time savings gained through the use of such facilities. All of our fiscal 1985 simulator facilities will pay back that investment in an average of less than 3 years.



Slide 22

RANGES

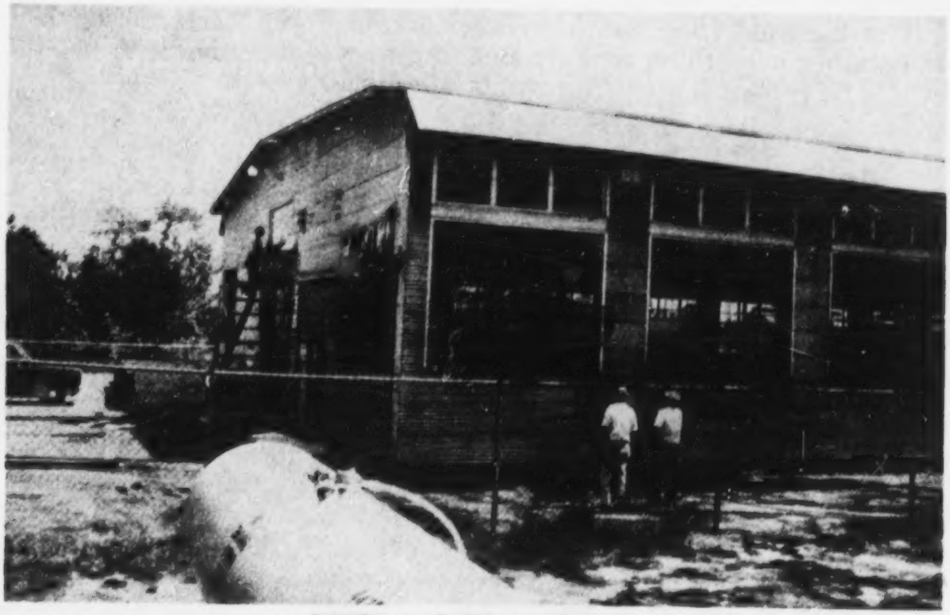
There are 18 range projects in this year's program. Above at Fort Dix, a total of 34 ranges will be upgraded with better range control facilities to support the annual training load of 132,000 soldiers.



SLIDE 23

FORT STEWART RANGES

As shown above, the Fort Stewart ranges will be modernized and a new multipurpose range for the infantry fighting vehicles as well as the M-60 and M-1 tanks will be constructed.



FORT BENNING INSTRUCTION FACILITIES

ABERDEEN INSTRUCTION FACILITIES

SLIDE 24

APPLIED INSTRUCTION FACILITIES

Fourteen old inadequate or deteriorated applied instruction facilities, such as these at Fort Benning above and Aberdeen below would be replaced with approval of our 1985 request.

Balance of Need
$2,200 M

Finish by 1996

SLIDE 25

PROGRAMMING TRAINING FACILITIES

After 1985, there still remains a need for $2.2 billion for training facilities which the Army plans to program through 1996.

Medical

Problem - Provide Health Care

Approved -

	Medcen	Hospital	Clinic
FY 82	1	2	2
FY 83	—	3	3
FY 84	—	1	1

SLIDE 26

HEALTH CARE FACILITIES

Providing adequate health care is an essential element of quality of life. Many of our existing facilities are still located in World War II wooden facilities as this one, above, at Fort Gordon.

SLIDE 27

FORT CARSON HOSPITAL

Over the past 3 years, funding for medical facilities has been relatively low, but we are grateful to the Congress for some critically needed facilities which have been approved, such as the hospital at Fort Carson, which is shown above, as it nears completion almost 1 year ahead of schedule.

Medical

Problem - Provide Health Care

Approved -		Medcen	Hospital	Clinic
	FY 82	1	2	2
	FY 83	—	3	3
	FY 84	—	1	1
FY 85 Program		2	—	11

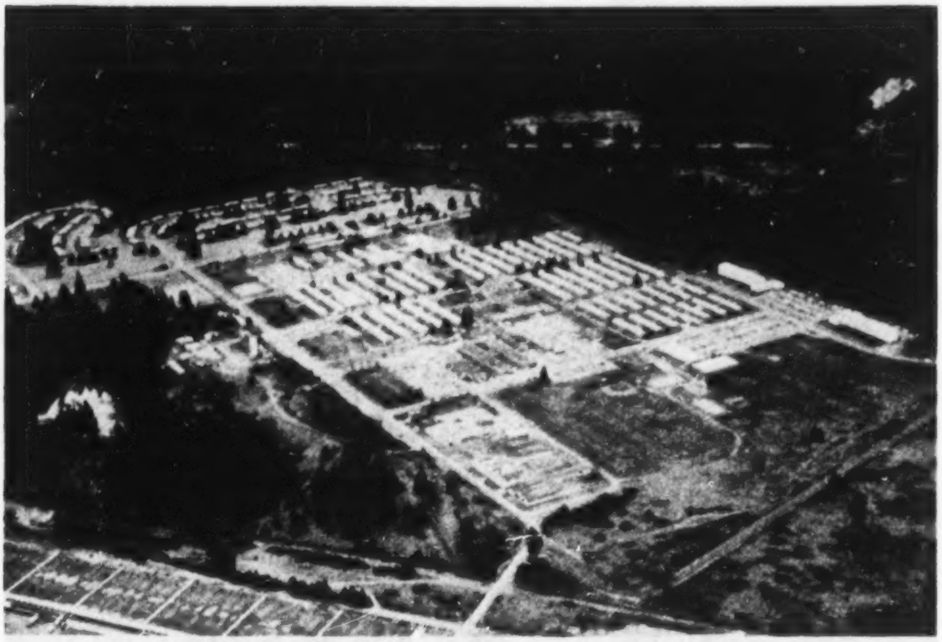
$165 M 9%

U.S.	$144 M
Europe	13
Pacific	8
	$165 M

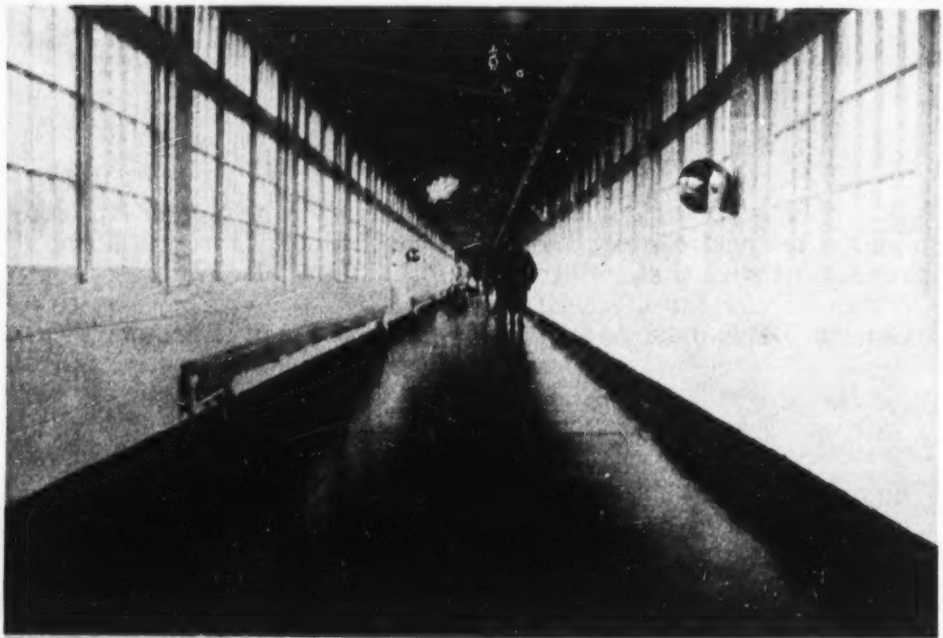
Slide 28

MEDICAL FACILITIES REQUEST

Our fiscal year 1985 medical facilities request represents 9 percent of the program. The Madigan Army Medical Center at Fort Lewis, WA, is intended to be incrementally funded as directed by the Congress and permitted under your public law.



MADIGAN HOSPITAL LAYOUT

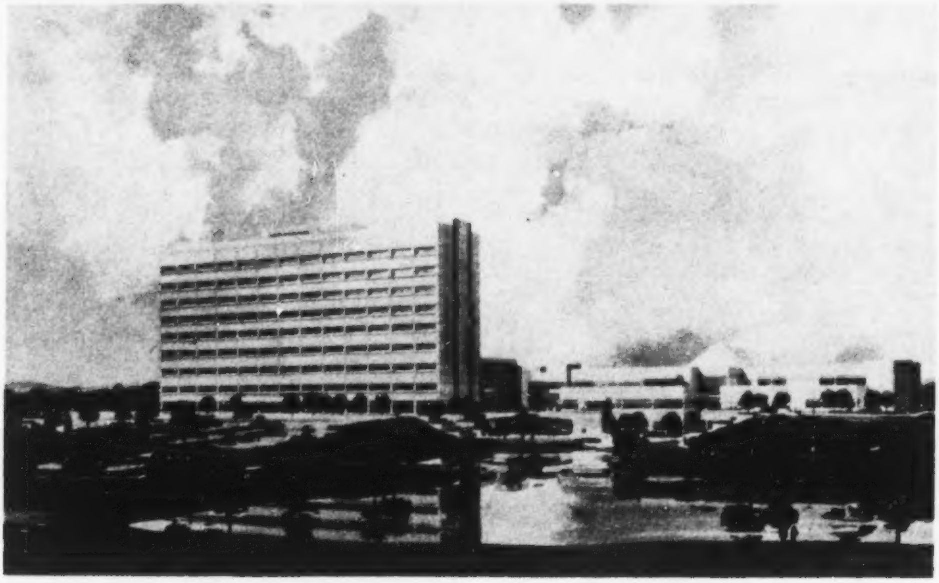


MADIGAN HOSPITAL EXTERIOR CORRIDOR

SLIDE 29

APPROPRIATION REQUEST FOR MADIGAN

The Army plans to begin with the site preparation package in fiscal year 1985 with an appropriation request for $11.2 million. Madigan, one of the Army's teaching hospitals serving the Pacific Northwest and Far East, was originally constructed in 1943 as a mobilization hospital. Its cantonment layout is typical of that era consisting of 100 wood frame buildings dispersed over 75 acres and connected by a mile and a half of exterior corridors.



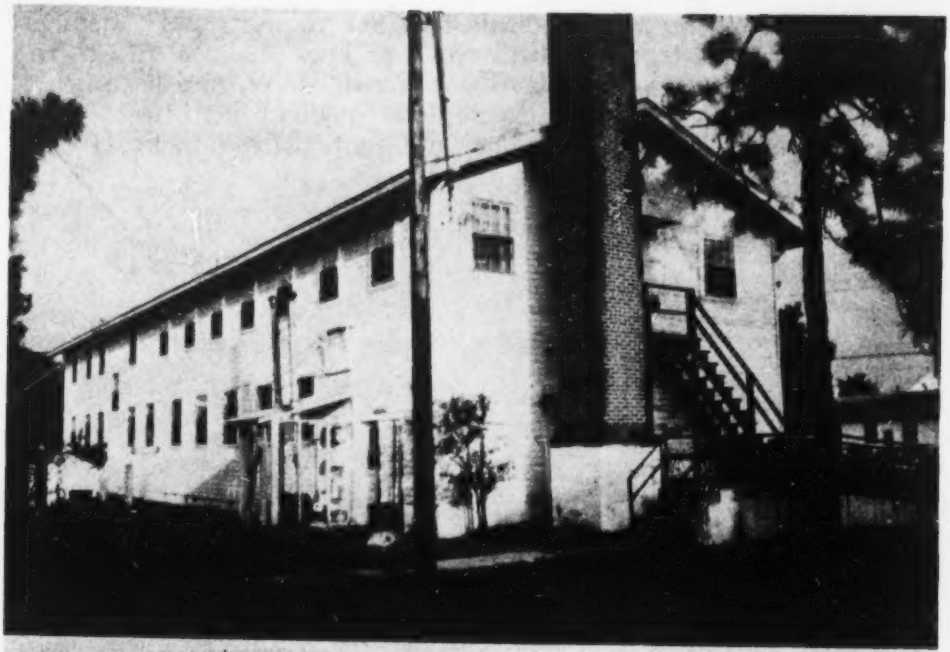
SLIDE 30

PROPOSED NEW MEDICAL CENTER

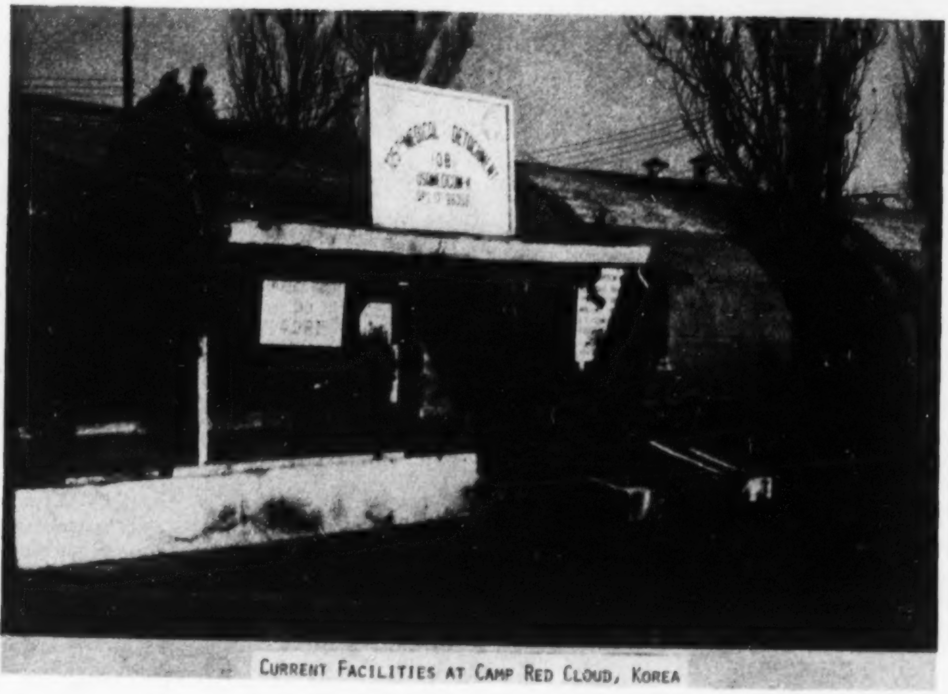
Our plan is to replace the existing facility with a modern, consolidated medical center. The sizing methodology for this hospital is consistent with that contained in Public Law 97-337.

Senator THURMOND. Where is that located?

General DELBRIDGE. At Fort Lewis, WA, Senator Thurmond.



WORLD WAR II WOODEN FACILITIES

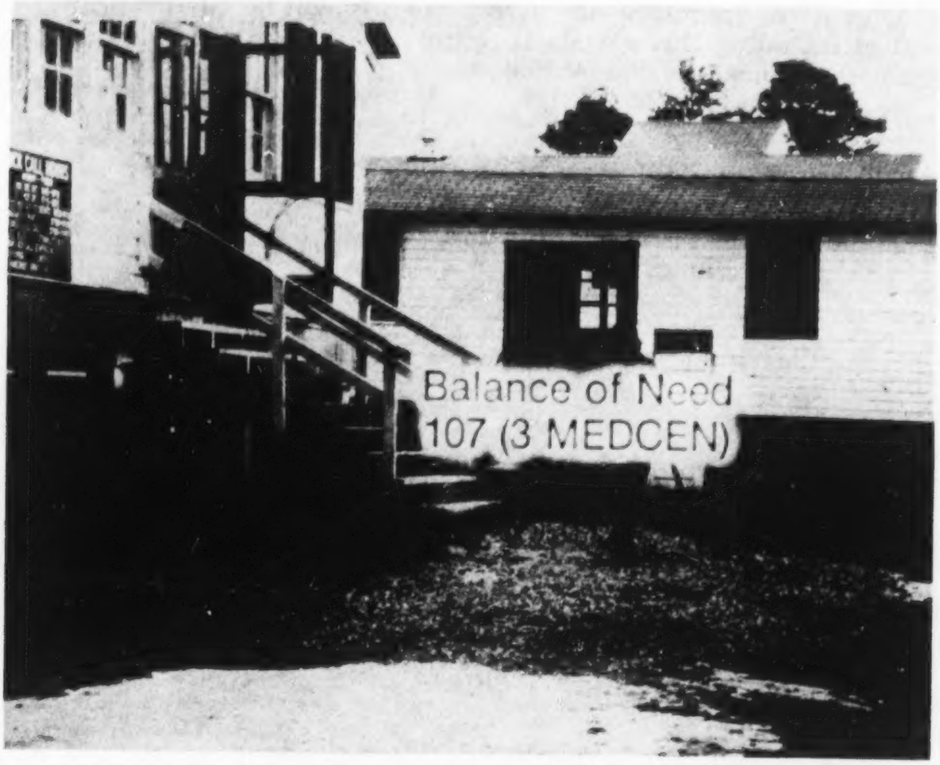

MEDICAL DETACHMENT

CURRENT FACILITIES AT CAMP RED CLOUD, KOREA

SLIDE 31

REPLACEMENT OF MEDICAL FACILITIES

In addition to the two hospitals. We are requesting 11 medical clinics including a troop medical clinic at Fort Jackson, SC, to replace World War II wooden facilities shown above, and a clinic at Camp Red Cloud in Korea, to replace medical facilities shown below. There are two troop medical and dental clinics in fiscal year 1985 for Korea.



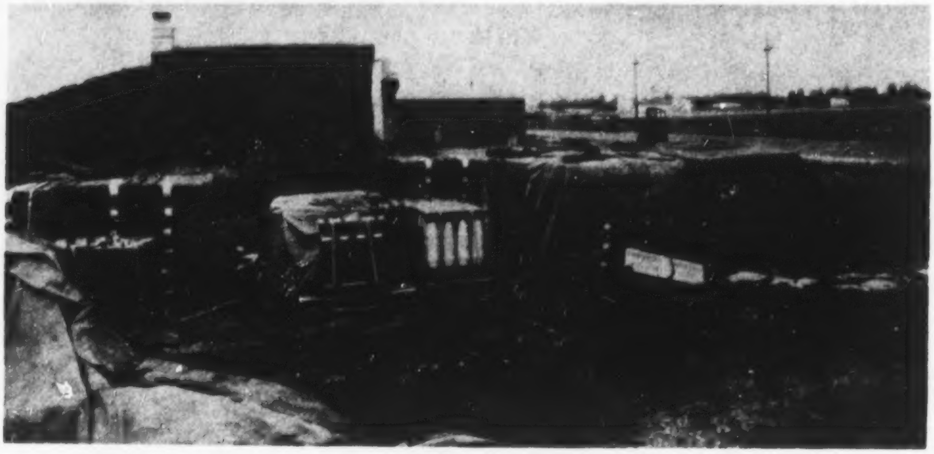
Balance of Need
107 (3 MEDCEN)

Finish by 1999

Slide 32

DEFICITS IN ARMY MEDICAL FACILITIES

After fiscal year 1985, the Army's deficit will be 107 medical facilities including three medical centers. The Army intends to program all medical deficits by 1999.



Supply

Problem - Provide Adequate Working Conditions Safeguard Materials and Equipment

SLIDE 33

SUPPLY FACILITIES

Adequate supply facilities, like maintenance facilities, address a soldier's working condition. Additionally, and perhaps of greater urgency, they are essential to safeguard our materials and equipment and to provide safe ammunition storage.

The progress made over the past 3 years has been very slight compared to the need, particularly for ammunition storage.

Supply

Problem - Provide Adequate Working Conditions Safeguard Materials and Equipment

		Ammo	Warehouse
Approved -			
	FY 82	10	2
	FY 83	4	1
	FY 84	4	3
FY 85 Program		18	6

$83 M 4%

FY 85 MCA Program Supply

U.S.	$ 38 M
Europe	13
Pacific	29
Other	3
	$ 83 M

SLIDE 34

BASIC LOAD STORAGE ELIGIBILITY

Our fiscal year 1985 request amounts to $83 million, which is 4 percent of the program. Many of the ammunition storage projects are low cost, that is under $1 million, and located in Germany. Eight of these were requested last year, but deferred with instructions to seek NATO funding.

The Army has, in response to the Congress, requested NATO to reassess its position on basic load storage eligibility. However, the NATO Military Committee reiterated their position that basic load ammunition storage facilities are not now, nor are they anticipated to become eligible for funding.

Under existing agreements, the United States is, as are other NATO nations, responsible for building their own basic load ammunition storage. Therefore, we are again seeking U.S. funding for ammunition storage to alleviate this extremely critical problem.

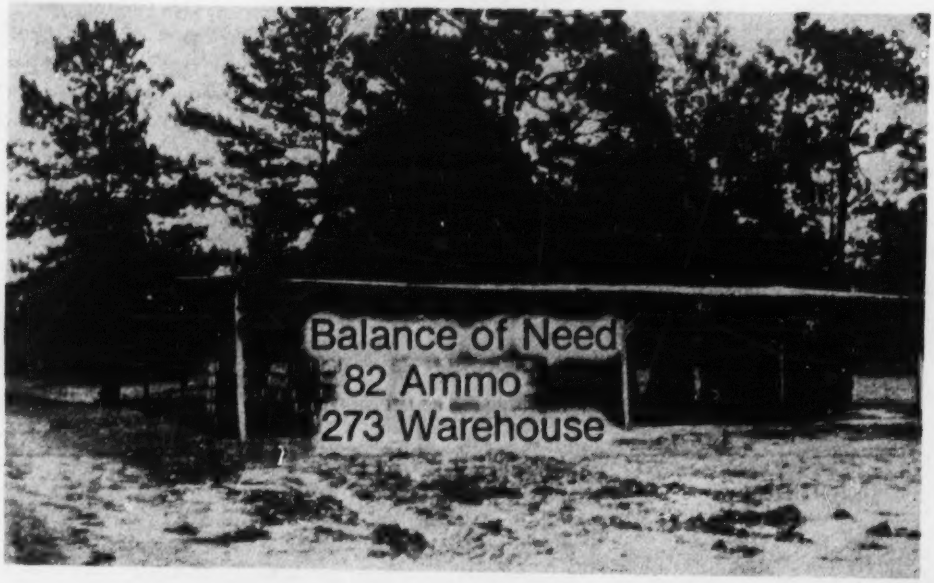
FORT KNOX, KENTUCKY STORAGE BUILDING

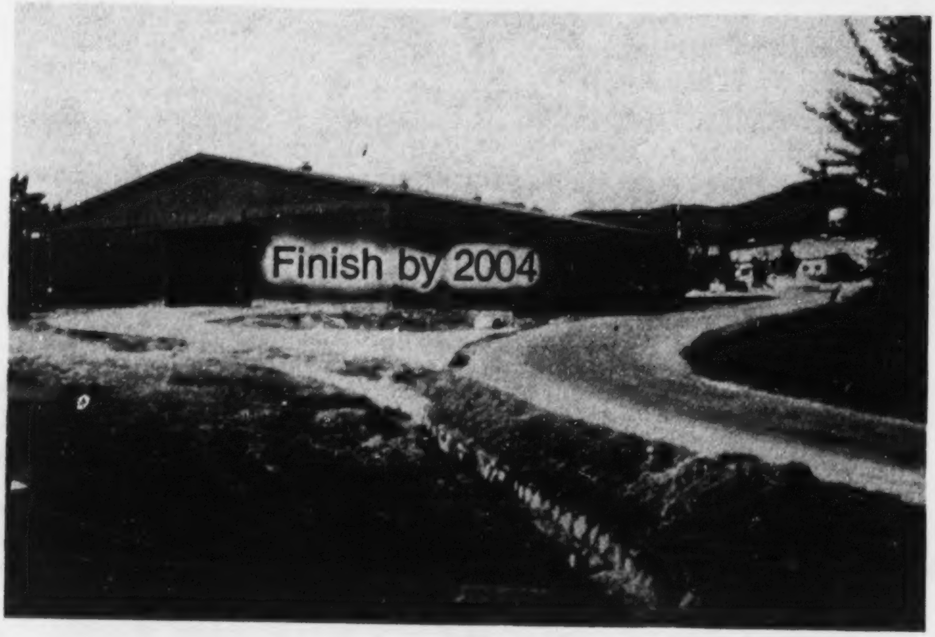
KITZINGEN. GERMANY WAREHOUSE

SLIDE 35

POOR WEAPONS STORAGE FACILITIES

The unsafe and overcrowded conditions have been exacerbated by the fielding of new weapon systems and their oversized and sophisticated ammunition. The metal ammunition storage building pictured above, at Fort Knox, KY, will be replaced by earth-covered storage igloos. The warehouse below, in Kitzingen, Germany, in addition to its deplorable condition, is also only a fraction of the size needed.

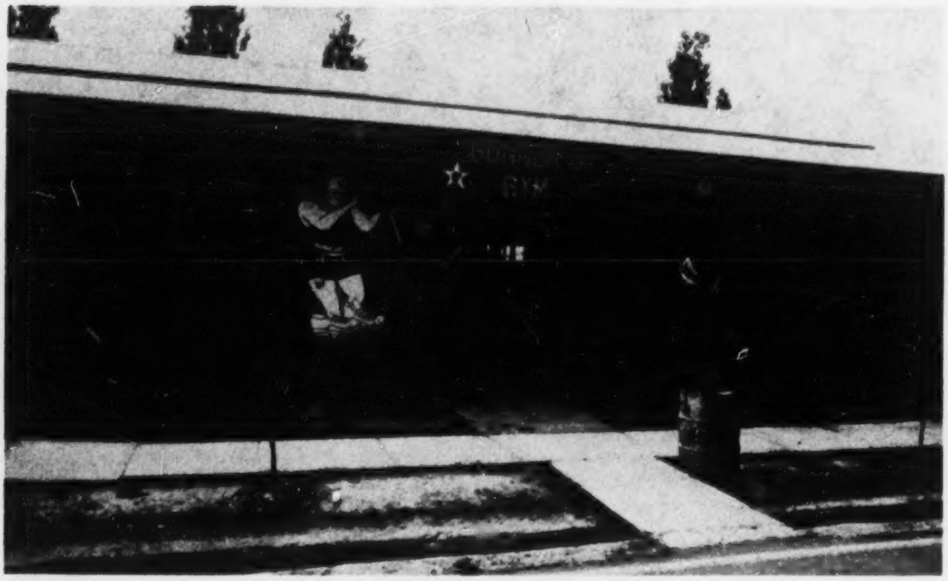

Balance of Need
82 Ammo
273 Warehouse


Finish by 2004

SLIDE 36

SIZABLE NEEDS REMAIN

The balance of our needs in this category, as shown above, remains sizable. Current plans would eliminate this deficit by the year 2004.



Slide 37

RECREATION FACILITIES

The last category of our request addresses the shortage of physical fitness and family care facilities. Facilities such as physical fitness centers and child care centers are an essential part of our balanced program and contribute to the needs and quality of life of our soldiers.

Fitness and Family Care

Problem - Provide for Total Care of Soldier

Approved -

	Physical Fitness	Child Care
FY 82	5	2
FY 83	3	1
FY 84	21	4

SLIDE 38

FITNESS CENTERS

The Army, with the help of Congress, has made progress in this area, particularly in providing physical fitness centers for our soldiers—such as this one shown at Camp Walker, Korea—which are paying off with improved stamina and teamwork.

Fitness and Family Care

Problem - Provide for Total Care of Soldier

Approved -	Physical Fitness	Child Care
FY 82	5	2
FY 83	3	1
FY 84	21	4
FY 85 Program	15	6

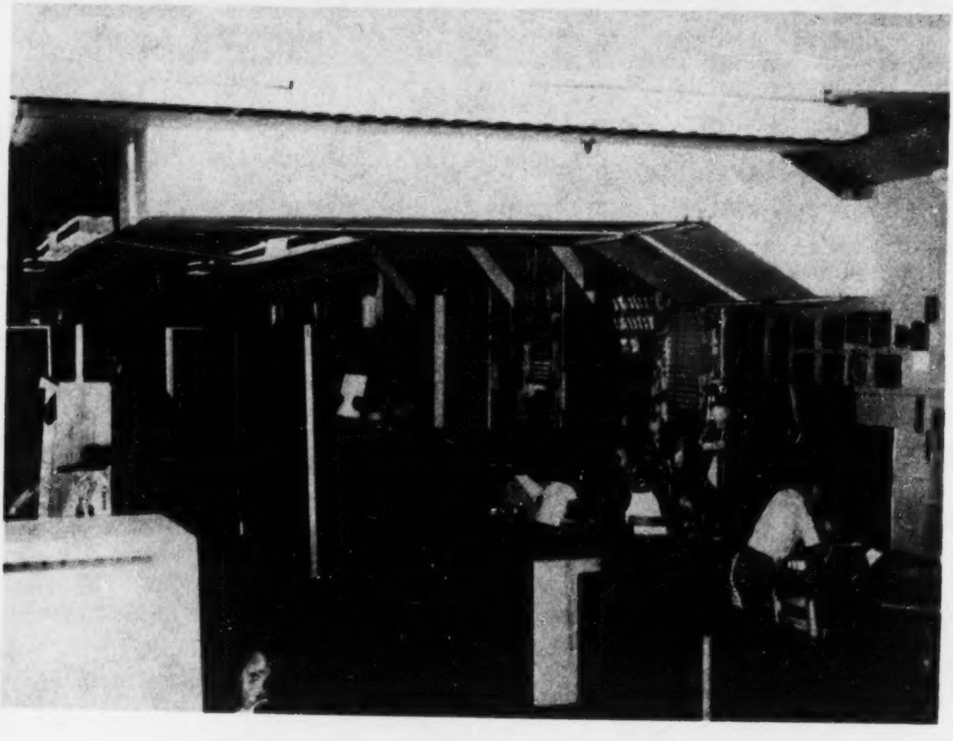
$62 M 3%

FY 85 MCA Program Fitness & Family Care

U.S.	$ 44 M
Europe	8
Pacific	10
	$ 62 M

CONTINUATION OF PROGRAM

In fiscal year 1985, we are requesting to continue a modest effort of $62 million or 3 percent of the program, the majority of which is in the United States.



SLIDE 40

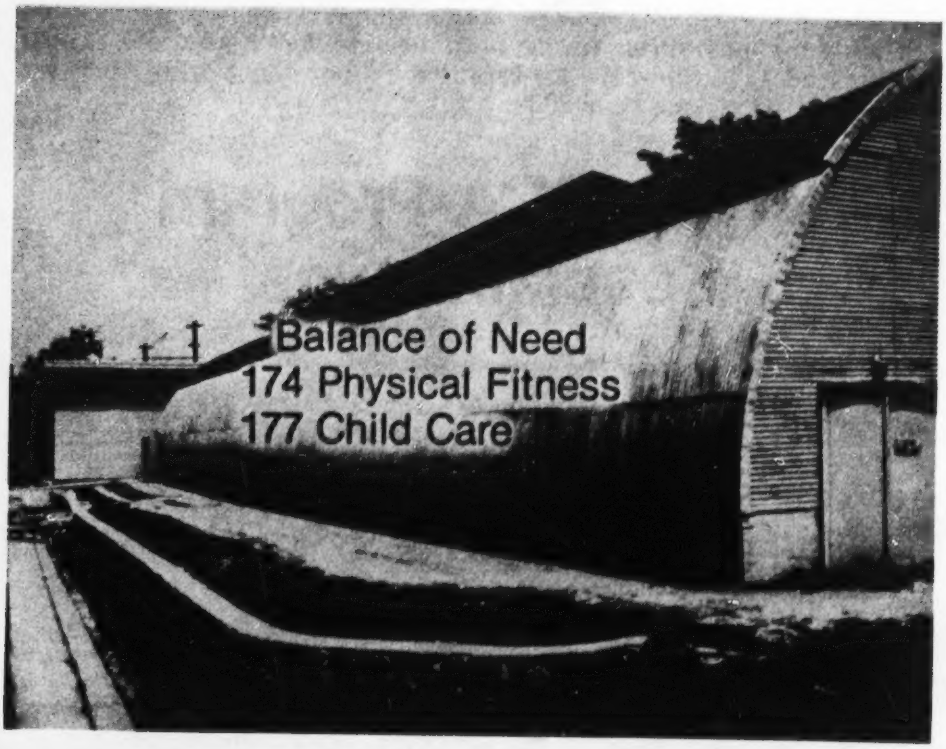
INCREASE IN CHILD CARE FACILITIES

We are requesting six child care facilities in the fiscal year 1985 program, including replacement of inadequate and unsafe World War II facilities at Aberdeen shown above and Fort Gordon below.

SLIDE 41

CAMP COLBERN, KOREA CENTER

Our request also includes replacement of the total physical fitness center at Camp Colbern, Korea, pictured here. This slide, offered partially with tongue in cheek, Mr. Chairman, was in answer to my request, "What are you using now?" Our soldiers simply deserve and need a little better than this. That is the total facility at Camp Colbern.



Balance of Need
174 Physical Fitness
177 Child Care

Finish by 2003

SLIDE 42

FILLING NEED FOR FITNESS CENTERS

The Army has a remaining need for 174 more physical fitness centers and 177 child care centers throughout the world which we hope to satisfy by the year 2003.

FY 85 MCA Program Special Issues

- Area Support Centers
- Chemical Defense & Safety
- Strategic Facilities

Area Support Centers Modernization

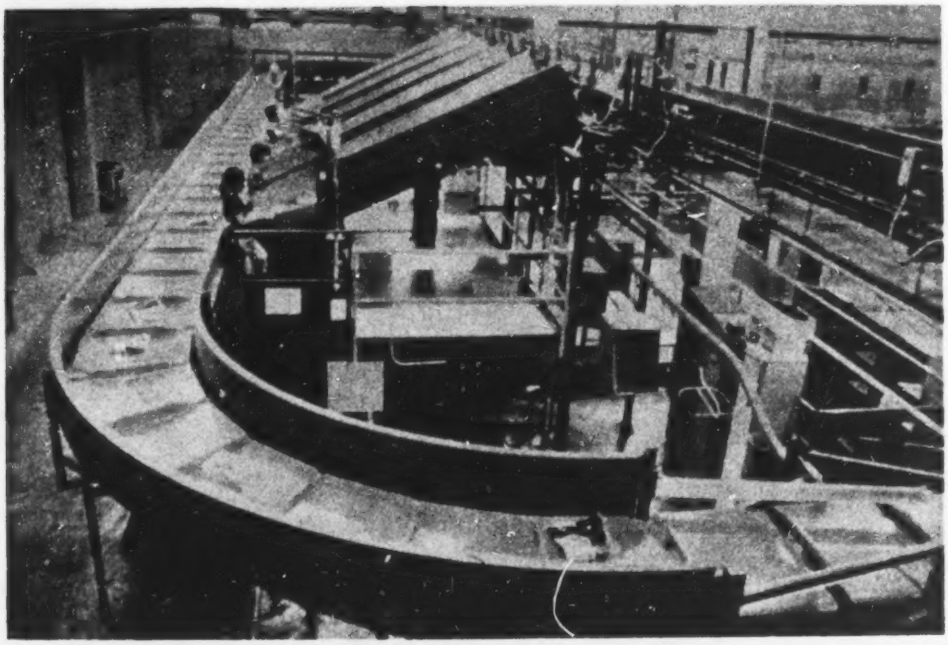
	MCA
Sharpe	FY 85
New Cumberland	FY 86
Red River	FY 87

Slide 43

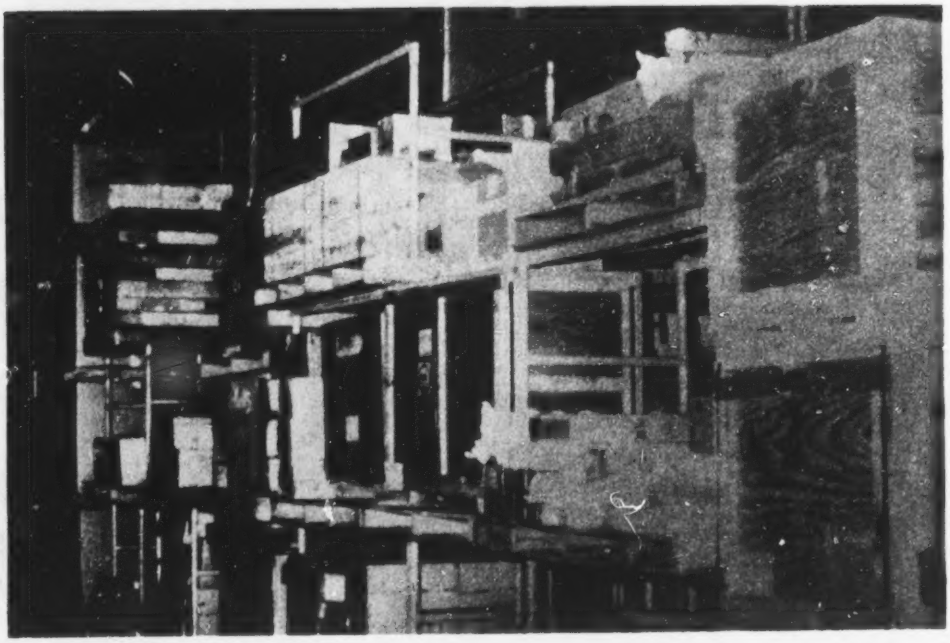
SUPPORT CENTERS REQUEST

There are three special issues in our fiscal year 1985 request that I wish to highlight.

The first is area support centers. The current equipment and physical plant layout at these three existing support centers is antiquated, inefficient, and unable to handle the expected workload increase over the next several years. Modernization, commencing with Sharpe Army Depot in fiscal year 1985 at $44 million, will not only provide increased capability, but the increase in efficiency and productivity will permit payback of this investment in 5.8 years. A similar payback is estimated for the remaining two depots.



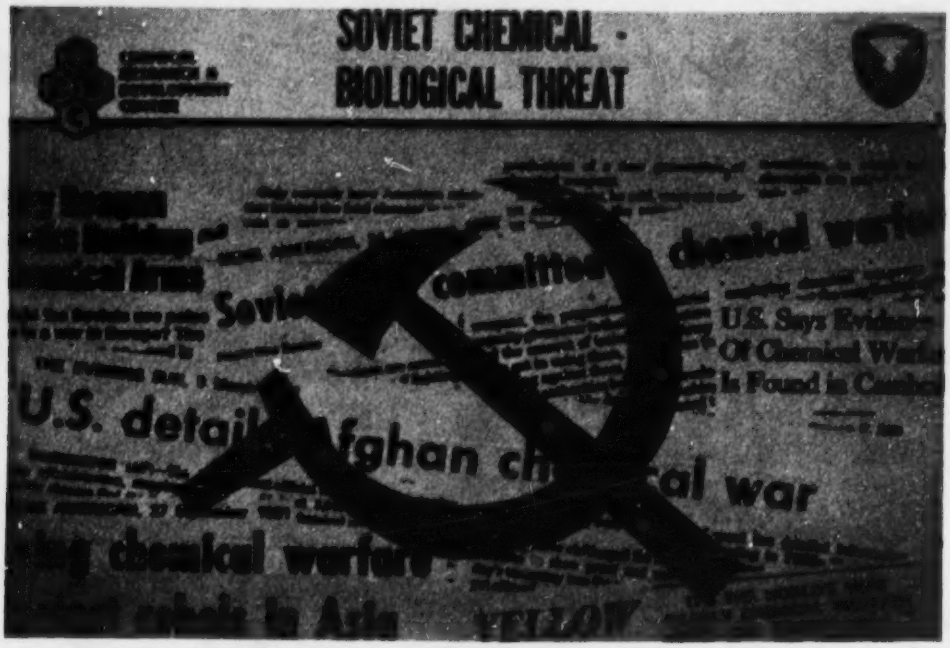
SHARPE DEPOT



SLIDE 44

MODERNIZATION OF RETRIEVAL SYSTEMS

Pictured on slide 44 are existing conditions at Sharpe Depot, which do not allow for efficient retrieval of items. Above is an example of modern sorting equipment which will facilitate this efficient and cost-effective modernization.



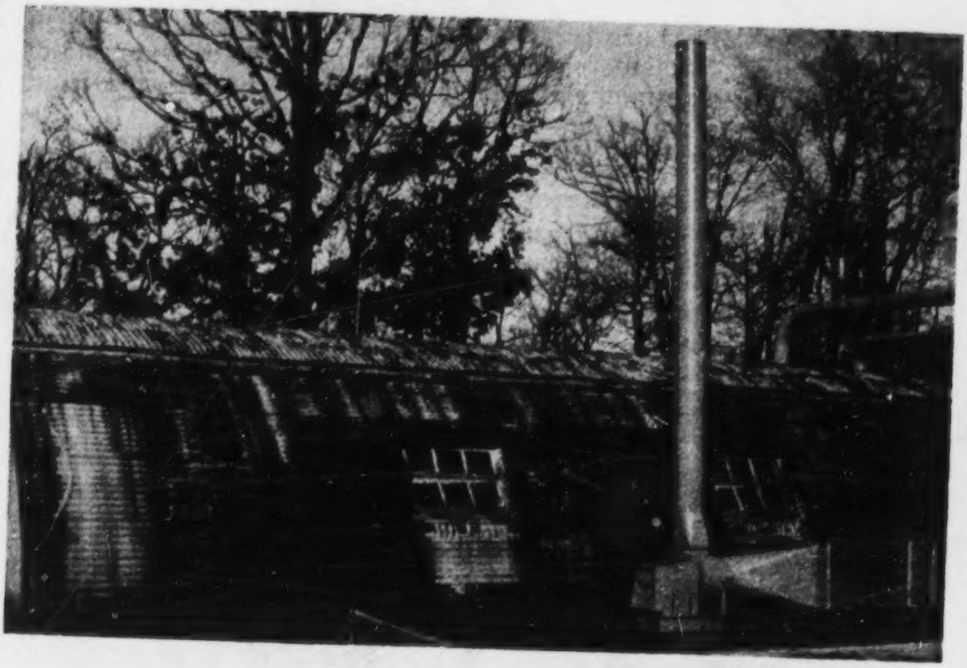
SOVIET CHEMICAL · BIOLOGICAL THREAT

Soviet
committed
chemical warfa
U.S. Says Evidence
Of Chemical Warfa
Is Found in Cambo
U.S. detai
fghan ch
al war
chemical warfare
YELLOW

SLIDE 45

CHEMICAL DEFENSE AND SAFETY

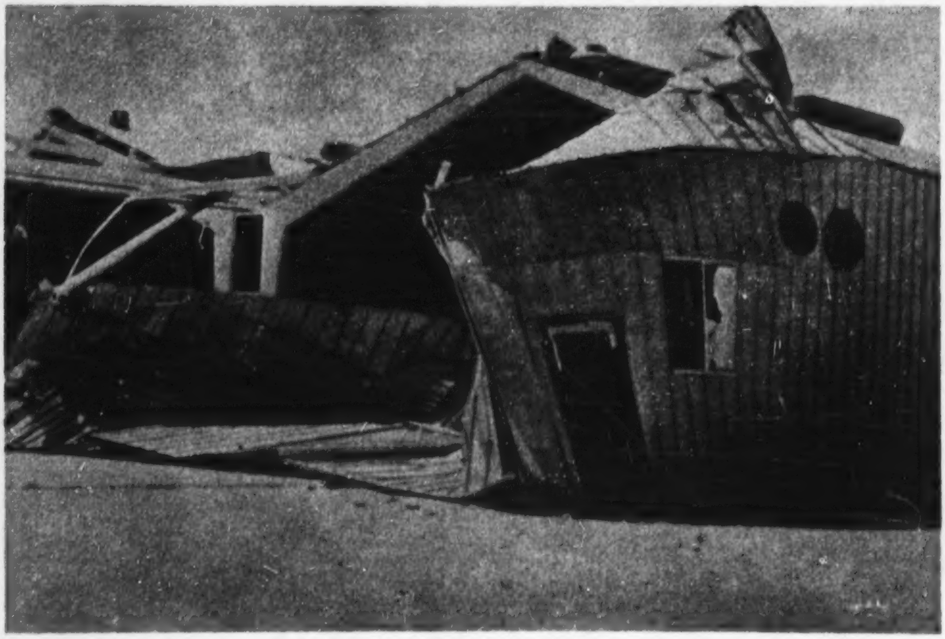
There are four projects in the program to support chemical defense and safety, one at Aberdeen Proving Ground in Maryland, two at Johnston Island in the Pacific, and one at Pine Bluff Arsenal.



Slide 46

REPLACEMENT OF LABORATORY BUILDINGS

Replacement of these buildings currently used as laboratories in addressing chemical and biological defense against potential adversaries is essential, not only from operational considerations, but due to escalating maintenance costs as well.



STORAGE BUILDINGS AT JOHNSTON ISLAND

SLIDE 47

CHEMICAL STORAGE AT JOHNSTON ISLAND

The chemical munitions which are stored at Johnston Island were hastily moved from Okinawa in 1971 and are stored in 35 magazines and eight metal buildings. The metal buildings shown above are inadequate and unsafe. The one below was damaged during a tropical storm and highlights the current vulnerability of these munitions. Chemical munitions are prevented from being moved to the United States by Public Law 91-672, hence the need for demilitarization facilities at Johnston Island.

Strategic Facilities $69 M

SLIDE 48

PROJECTS FOR STRATEGIC FACILITIES

We also have three projects for strategic facilities totaling $69 million. Portions of these projects are classified, and we will talk about those during the questioning period, or in closed session, as you desire.

FY 85 MCA Program Economies and Efficiencies

- Self Amortizing Projects
- Cost Reduction by Market Action

FY 85 MCA Amoritization

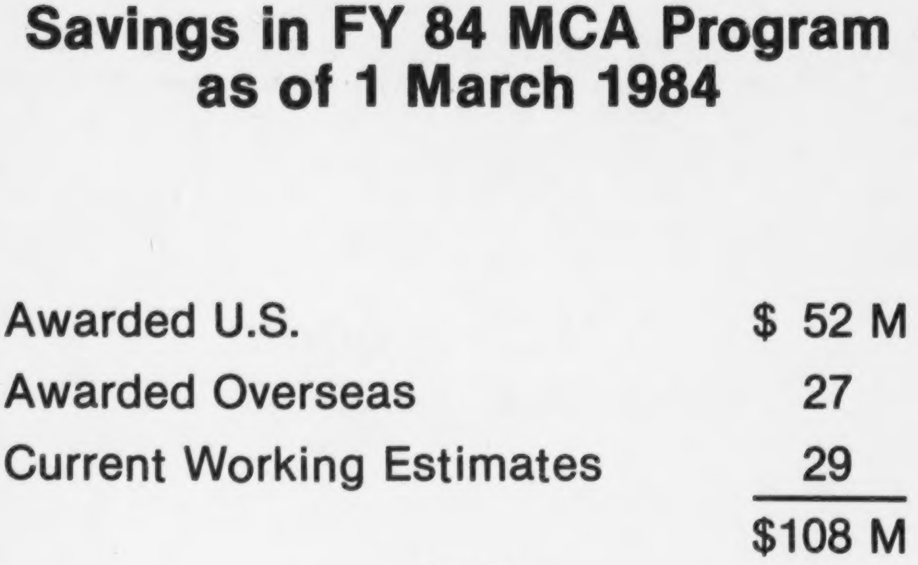
	Years to Amortize
Renovate Armament Manufacturing	9
Western Support Center	5.8
Computer Systems Command	4.9
Energy Conservation	3.2
Flight Simulators	2.9

SLIDE 49

MCA PROGRAM VARIABLES

The last area of the MCA program deals with economies and efficiencies.

First, there are the projects that will amortize themselves as shown on the lower slide. The Western Support Center is the Sharpe Army Depot Project, which I mentioned earlier under the area oriented depots. There are 26 energy conservation projects totalling $48 million which collectively amortize in 3.2 years.



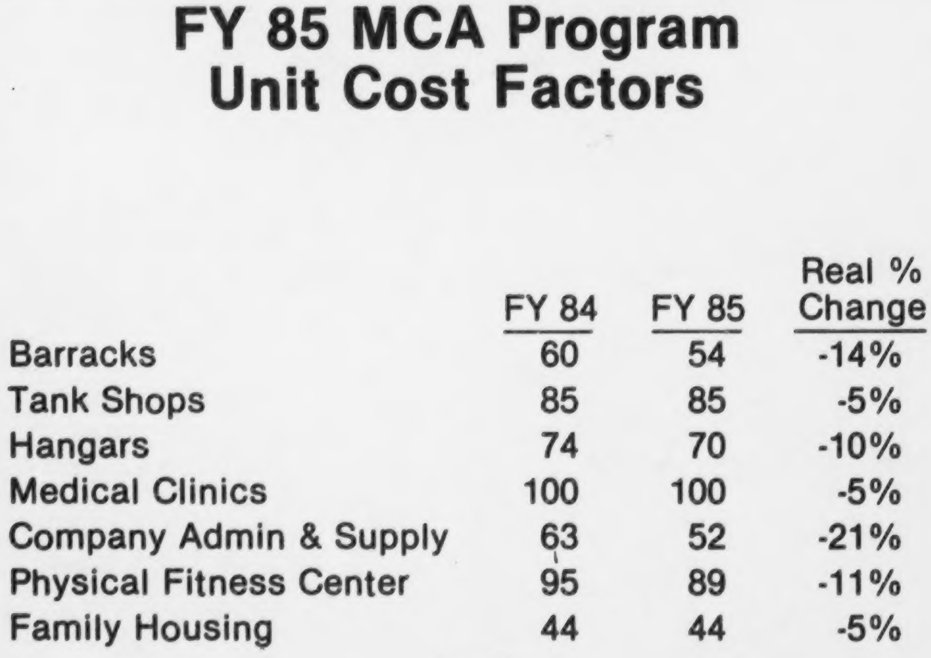
Savings in FY 84 MCA Program as of 1 March 1984

Awarded U.S.	$ 52 M
Awarded Overseas	27
Current Working Estimates	29
	$108 M

SLIDE 50

MCA PROGRAM SAVINGS

I am also pleased to report, Mr. Chairman, that the favorable bidding climate has continued as we have begun executing the fiscal year 1984 program. Current savings of $108 million are as shown on slide 50. These savings are very general on the current working estimates, and they could increase if the bids continue to come in low as they have in the most recent past.



FY 85 MCA Program Unit Cost Factors

	FY 84	FY 85	Real % Change
Barracks	60	54	-14%
Tank Shops	85	85	-5%
Hangars	74	70	-10%
Medical Clinics	100	100	-5%
Company Admin & Supply	63	52	-21%
Physical Fitness Center	95	89	-11%
Family Housing	44	44	-5%

SLIDE 51

CURRENT UNIT COSTS

Recognizing that the 1984 savings reflect what may be considered our inaccurate assessment of current costs as we address the 1985 program, this slide shows how our 1985 unit costs have been reduced reflect these conditions.

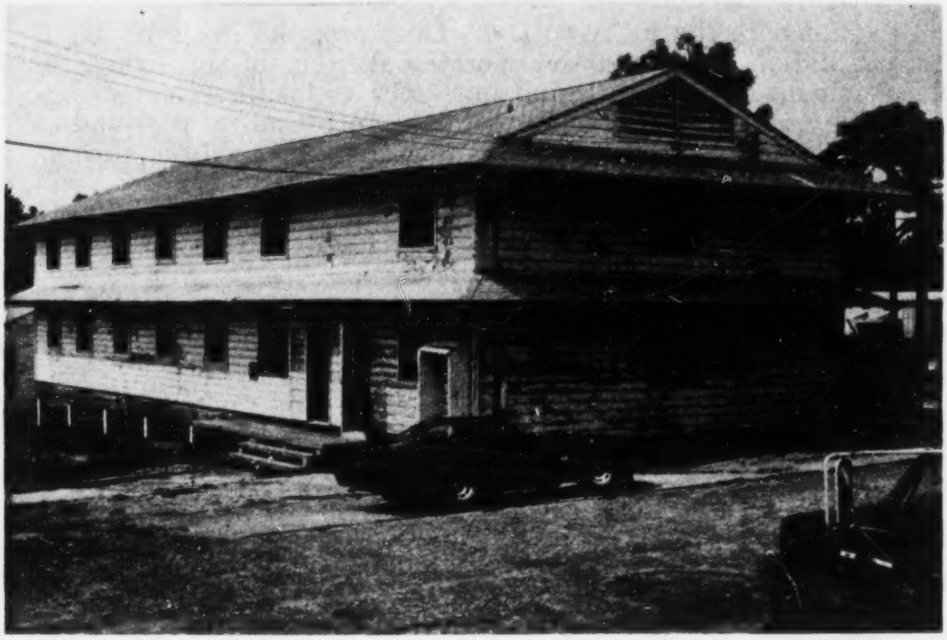
The 1984 and the 1985 costs are a representative sample of our primary facilities, and they are compared, as shown here, with the effective real percentage changes shown on the right hand column. Notice that they are all certainly on the minus side.

FY 85 MCA Program Area Cost Factors

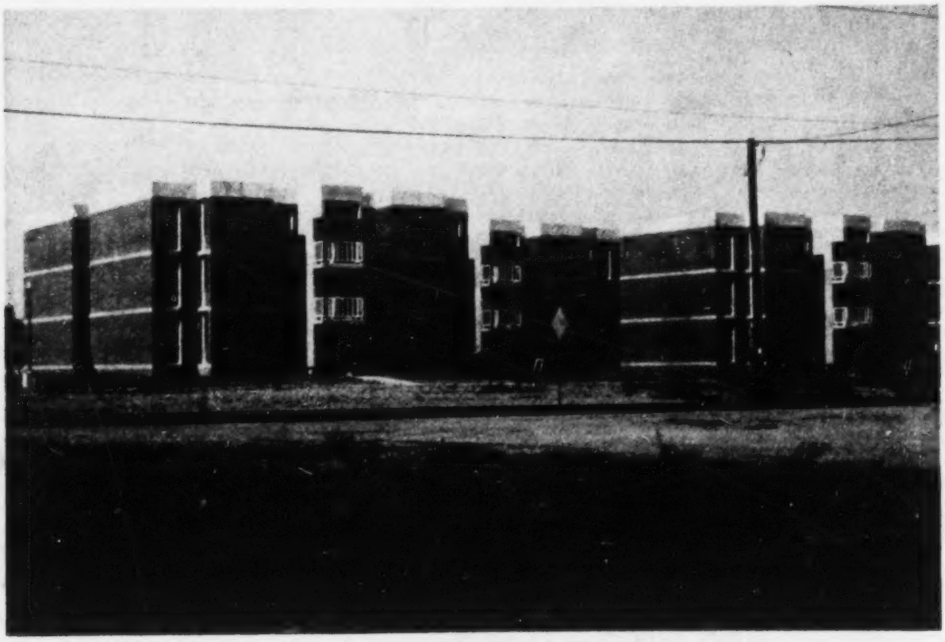
	FY 84	FY 85
Ft. Bragg	1.00	0.75
Ft. Irwin	1.17	1.23
Ft. Polk	1.05	0.93
Ft. Stewart	1.02	0.85
Hawaii	1.28	1.34
Germany	1.50	1.06
Korea	1.05	0.84

AREA COST FACTORS

We have also adjusted the area factors. In fiscal year 1985, we have made significant reductions in areas where bids have come in most favorably. Notice the large drop in Germany from 1.50 to 1.06.



FORT BRAGG FACILITIES



FORT CAMPBELL FACILITIES

SLIDE 53

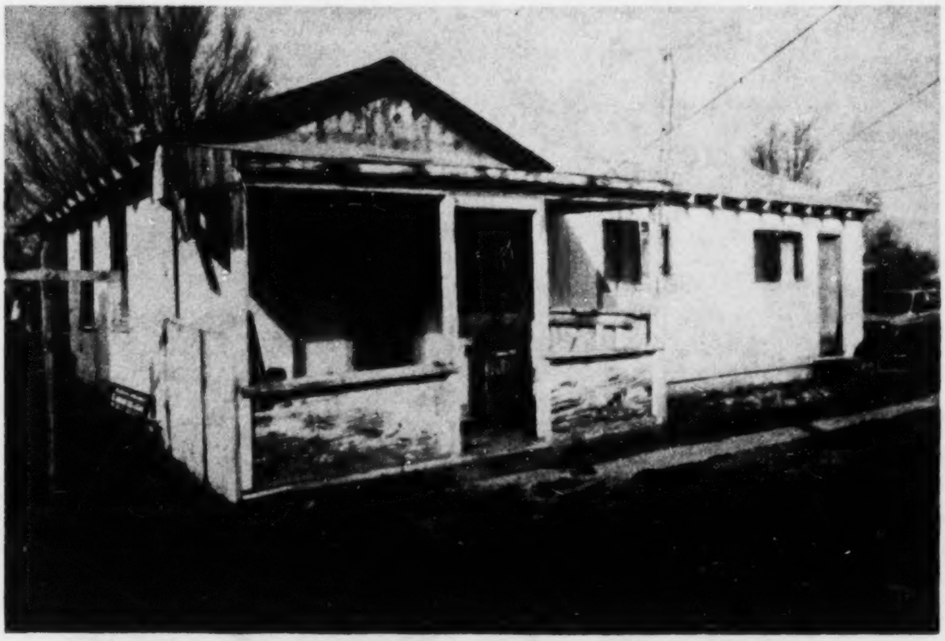
FACILITIES IMPROVEMENT

To summarize the MCA portion of the program, we are asking for $1.9 billion to address the operational needs of the Army, replace and modernize our aging inventory of facilities and to improve the quality of life for our soldiers, to get out of the kind of facilities you see here at Fort Bragg, and into new facilities such as these recently completed at Fort Campbell.

Mr. Chairman, since this is a hearing that will address not only our military construction but also Army family housing, the next portion deals with our Army family housing.

FY 85
Army Family Housing

Authorization	$1,425 M
Appropriation	$1,425 M



SLIDE 54

IMPROVEMENT OF LIVING QUARTERS

Our Army family housing budget includes a request for $1.425 billion for both authorization and appropriation. Approval of this request will permit us to improve the living conditions of our soldiers and their families by providing an alternative to this housing, which is outside—not on the post, but where we have soldiers living because that is all that is available —Sierra Army Depot. It represents the continuation of a program that you have previously endorsed in approving the 1984 Army family housing program.

FY 85
Army Family Housing Statistics

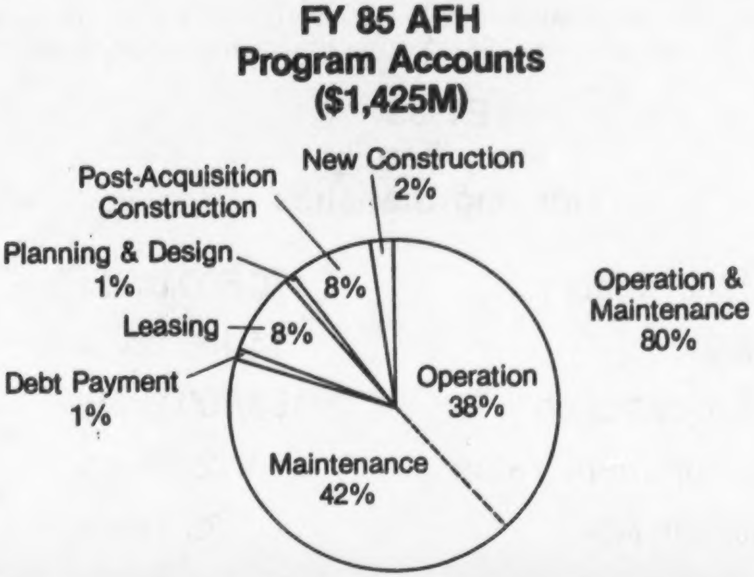
Total Inventory	170,800 Units
Leased	14,100 Units
U.S. Controlled	156,700 Units
Replacement Value	$12 Billion
Average Age	28 Years

AFH Needs

Deferred Maintenance and Repair	$668 Million
Energy Conservation Improvement Program Backlog	$166 Million
Annual Renewal/Selected Improvements	$1,000 Million
Eliminate Substandard Units	5,900 Units
Programable Housing Deficit	16,000 Units

Slide 55

Approval of our 1985 request will provide the necessary support to operate and maintain an aging inventory of almost 171,000 units, owned, controlled, or leased by the Army, and address as can be seen here, large backlogs in maintenance and repair, selected improvements, elimination of substandard units, and reduction of our critical family housing deficit.



SLIDE 56

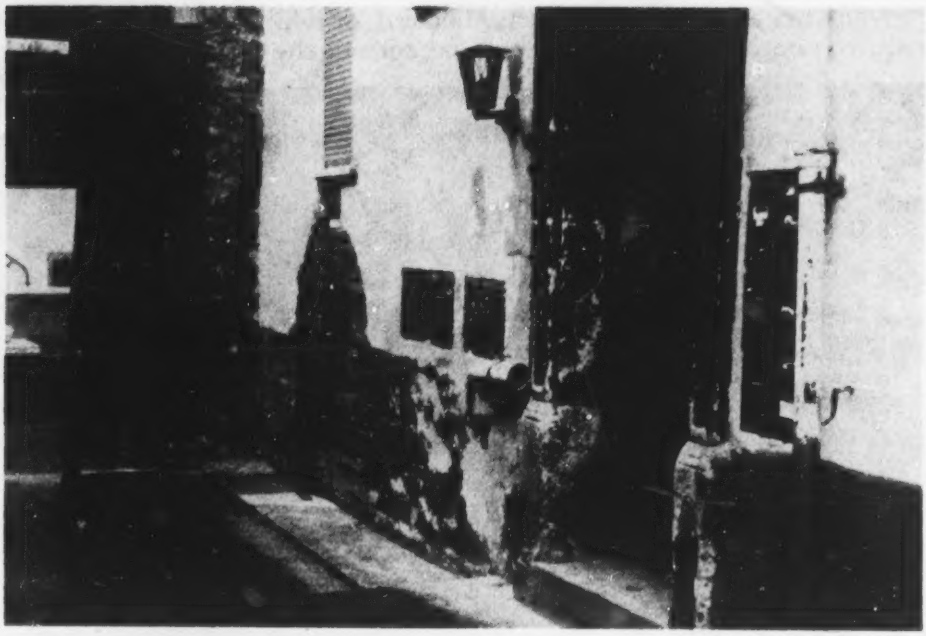
This is how the Army intends to assign the funds requested against its family housing needs in fiscal year 1985. The major portion of the request, 42 percent, or $597 million, is to maintain and repair our current inventory and take care of problems such as this pictured here at Hanau, Germany.

Another 38 percent, or $543 million, will provide operational support, such as utilities, furnishings and management to our large worldwide inventory. $109 million, or 8 percent, will provide for improvements and energy projects. Leasing of additional housing will require another $107 million, or 8 percent of the total program.

SLIDE 57

SIERRA ARMY DEPOT HOUSING

Only 2 percent of our 1985 program, or $34 million, will provide for additional housing through new construction to get families out of housing projects like this at Sierra Army Depot. This is on the Sierra Army Depot. I would like to show you now some details of each of these parts of our fiscal year 1985 request.



Slide 58

CONDITIONS IN BABENHAUSEN, GERMANY

First, let's discuss the new construction program. Providing adequate housing has been one of the Army's most acute problems for many years. The new construction program assists in housing our soldiers and their families when adequate housing is unavailable locally and leasing is not possible. It will help to take families out of living conditions such as these in Babenhausen, Germany.

FY 85 AFH
New Construction

Problem: Adequately House Soldiers & their Families

Status:	FY 82 -	717 Units
	FY 83 -	259 Units
	FY 84 -	1467 Units

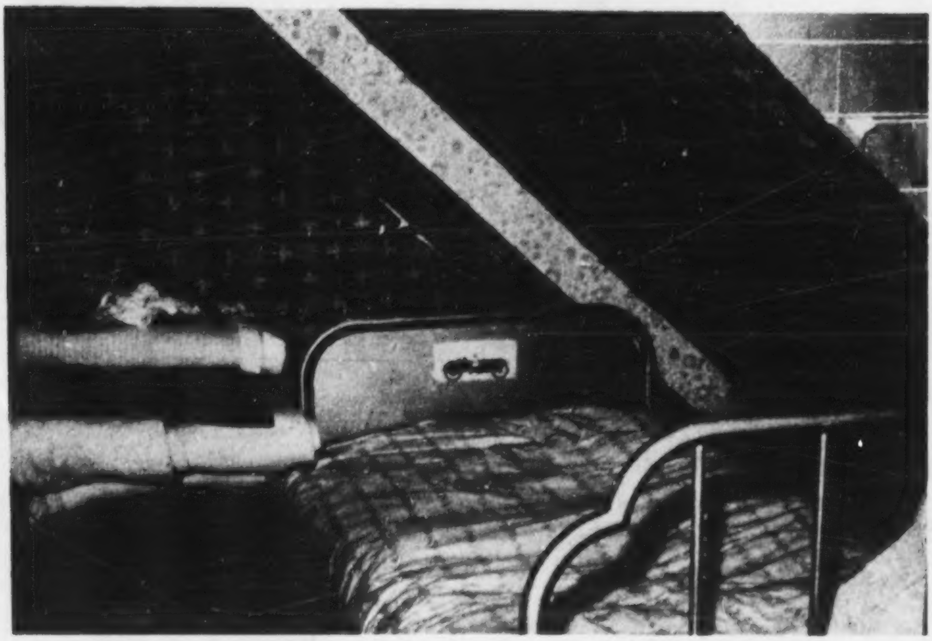
Slide 59

Your past support of our requests have allowed us to provide over 2,400 new units over the last 3 years, units such as these recently completed manufactured housing units at Fort Irwin, CA, will permit us to provide adequate housing where it is unavailable on the private economy. We are most grateful for that, Mr. Chairman.

FY 85 AFH
New Construction

Problem: Adequately House Soldiers & their Families

Status-	FY 82 -	717 Units
	FY 83 -	259 Units
	FY 84 -	1,467 Units
FY 85 Program:		372 Units
	$34M	2%



Slide 60

HOUSING CONDITIONS

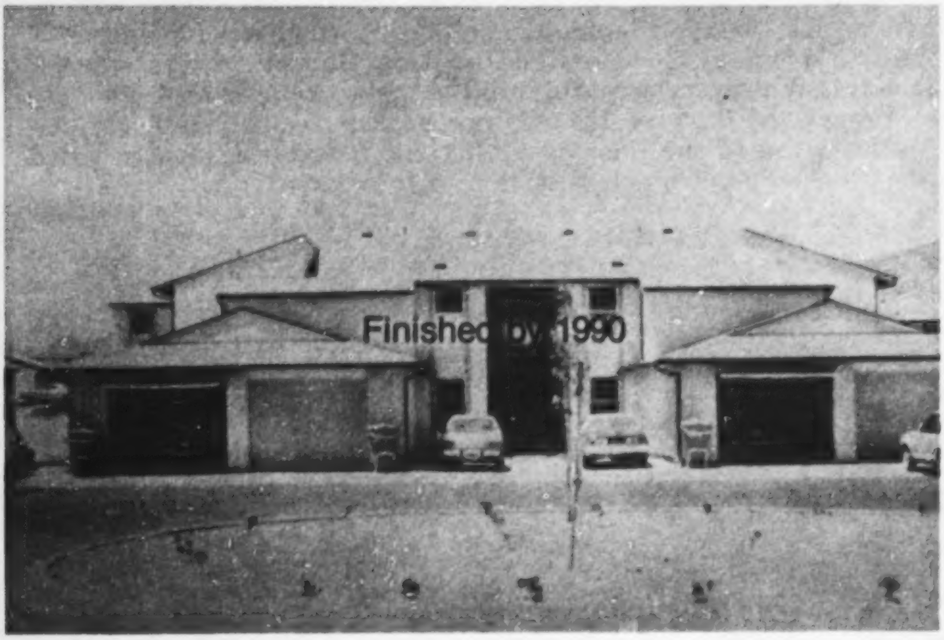
Our fiscal year 1985 request will provide $27 million for 292 units in Europe to rectify housing conditions as pictured here. The balance, $7 million, is targeted on a critical need at the remotely located Sierra Army Depot, CA. In addition to this small construction program, we hope to add 1,200 additional units through the two test programs, sections 801 and 802 which were authorized by the Congress last year.

Slide 61

WHERRY UNITS

The Army plan at Sierra Depot calls for the acquisition and ultimate disposal of the dilapidated, privately owned Wherry units and then construction of 80 new units. This alternative was selected since this Wherry project, built on the installation in 1954, not only is unrepairable but creates an unacceptable security problem due to shared use of the housing with civilian tenants not associated with the Army's [deleted] mission at this location.

Balance of Need
16,000 Units


Finished by 1990

SLIDE 62

UNIT DEFICITS

Our current programmable worldwide deficit is 16,000 units, and we plan to eliminate that deficit by the year 1990.

SLIDE 63

POST ACQUISITION CONSTRUCTION PROGRAMS

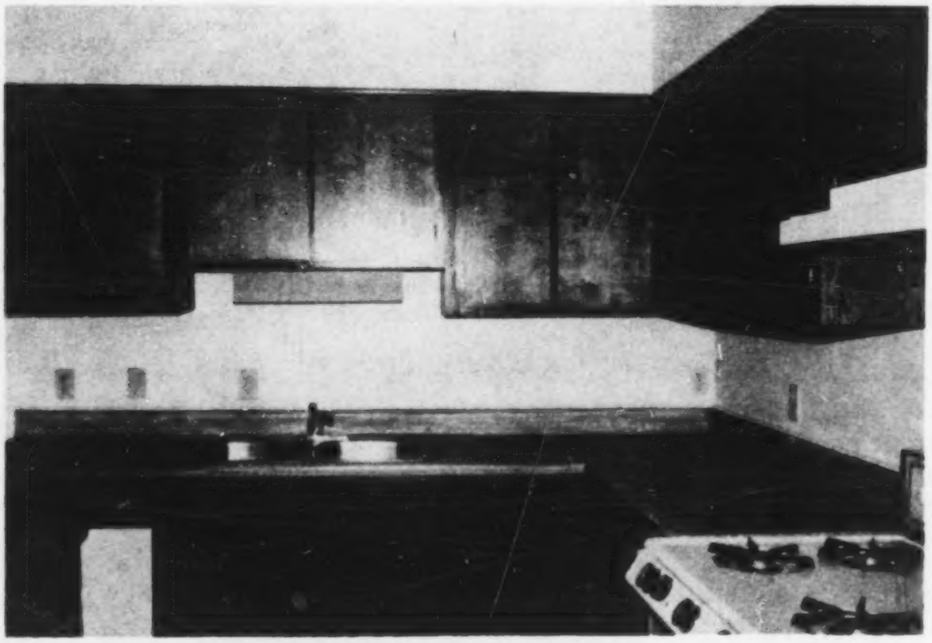
I would like now to switch to the post acquisition construction program. Improvements and energy conservation investment projects are the essence of this program. They are required to make the current inventory consistent with contemporary livability and energy efficiency standards.

Our fiscal year 1985 program includes replacing old, antiquated, inefficient boilers like this one serving 784 units with new, efficient, automated systems.

FY 85 AFH
Post Acquisition Construction

Problem- Aging Inventory Lacks Contemporary Standards of Livability and/or Energy Efficiency

Status-	FY 82	24,900 Units
	FY 83	39,000 Units
	FY 84	26,600 Units



Slide 64

IMPROVEMENTS

We have, with your assistance, made some headway in the improvement area in recent years. An average of 30,000 units a year have received some added improvements, whether it be kitchen modernization such as this unit at Fort Sam Houston, the addition of insulation or, in some cases, whole house improvements.

FY 85 AFH
Post Acquisition Construction

Problem- Aging Inventory Lacks Contemporary Standards of Livability and/or Energy Efficiency

Status-	FY 82	24,900 Units
	FY 83	39,000 Units
	FY 84	26,600 Units

FY 85 Program:	13,319 Units

$109M	8%

Slide 65

WHOLE HOUSE RENEWAL

Our fiscal year 1985 program requests whole house renewal for 2,300 units, smaller related improvement projects for 4,700 units, and energy conservation investment projects for 6,300 units. Old, small kitchens such as these at Fort Ord will be enlarged and improved to provide a more contemporary living environment.

Balance of Need
$1,166 M

Finished by 1995

SLIDE 66

BACKLOG REDUCTION

Your approval of this request will permit continued reduction of our backlog which we propose to eliminate by 1996.

SLIDE 67

O&M

Now let us turn to operation and maintenance. This program addresses our cost of ownership. That is the annual costs to operate and maintain our inventory, and reduction of backlog of deferred maintenance and repair, DMAR. Units such as these at Fort Ben Harrison require repair to not only correct the current conditions shown but also prevent further structural problems to the building.

FY 85 AFH
Operation and Maintenance

Problem- Satisfy Cost of Ownership and Large Backlog of Maintenance and Repair

Status-	FY 82	$701 M	143,852 Units
	FY 83	$975 M	144,239 Units
	FY 84	$978 M	156,522 Units

SLIDE 68

DMAR BACKLOG

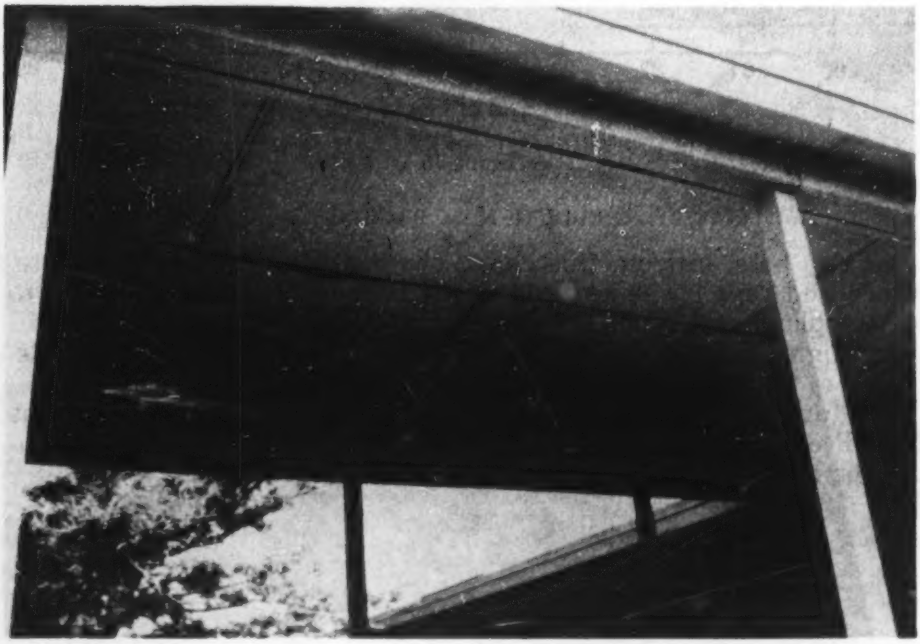
Over the last 3 years, with your assistance, funding has increased to satisfy the requirement of a growing inventory and to continue reduction of the large DMAR backlog. We have been able to fix long standing maintenance ills such as new roofs like this one at Fort Ord, CA.

FY 85 AFH
Operation and Maintenance

Problem- Satisfy Cost of Ownership and Large Backlog of Maintenance and Repair

Status-	FY 82	$701 M	143,852 Units
	FY 83	$975 M	144,239 Units
	FY 84	$978 M	156,522 Units

FY 85 Program		156,710 Units
$1,140M	80%	

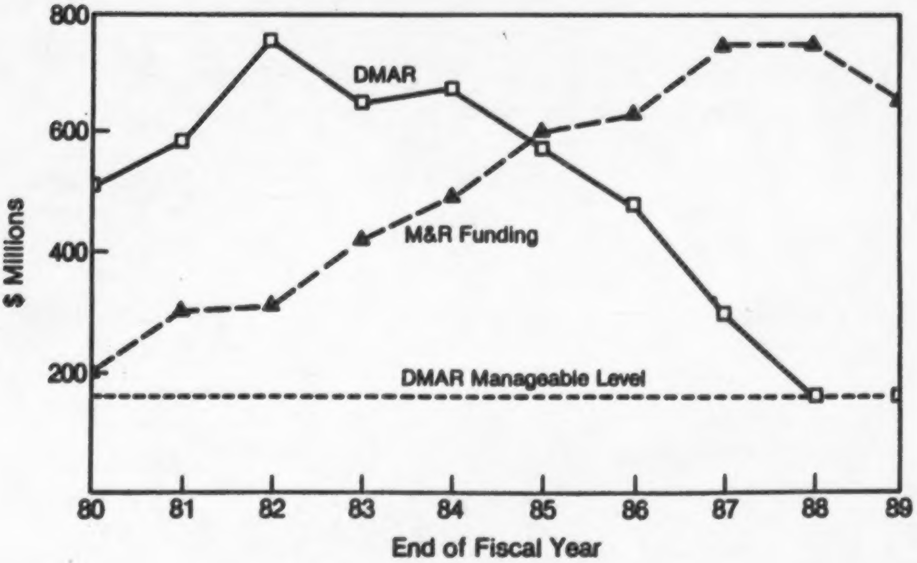


SLIDE 69

MAINTENANCE CORRECTIONS AT FORT BLISS

Our requested increase in fiscal year 1985 will have the greatest impact on living conditions of our families by continuing reduction of long deferred maintenance and by corrections of safety hazards such as these conditions at Fort Bliss, TX.

FY 85 AFH
DMAR Reduction

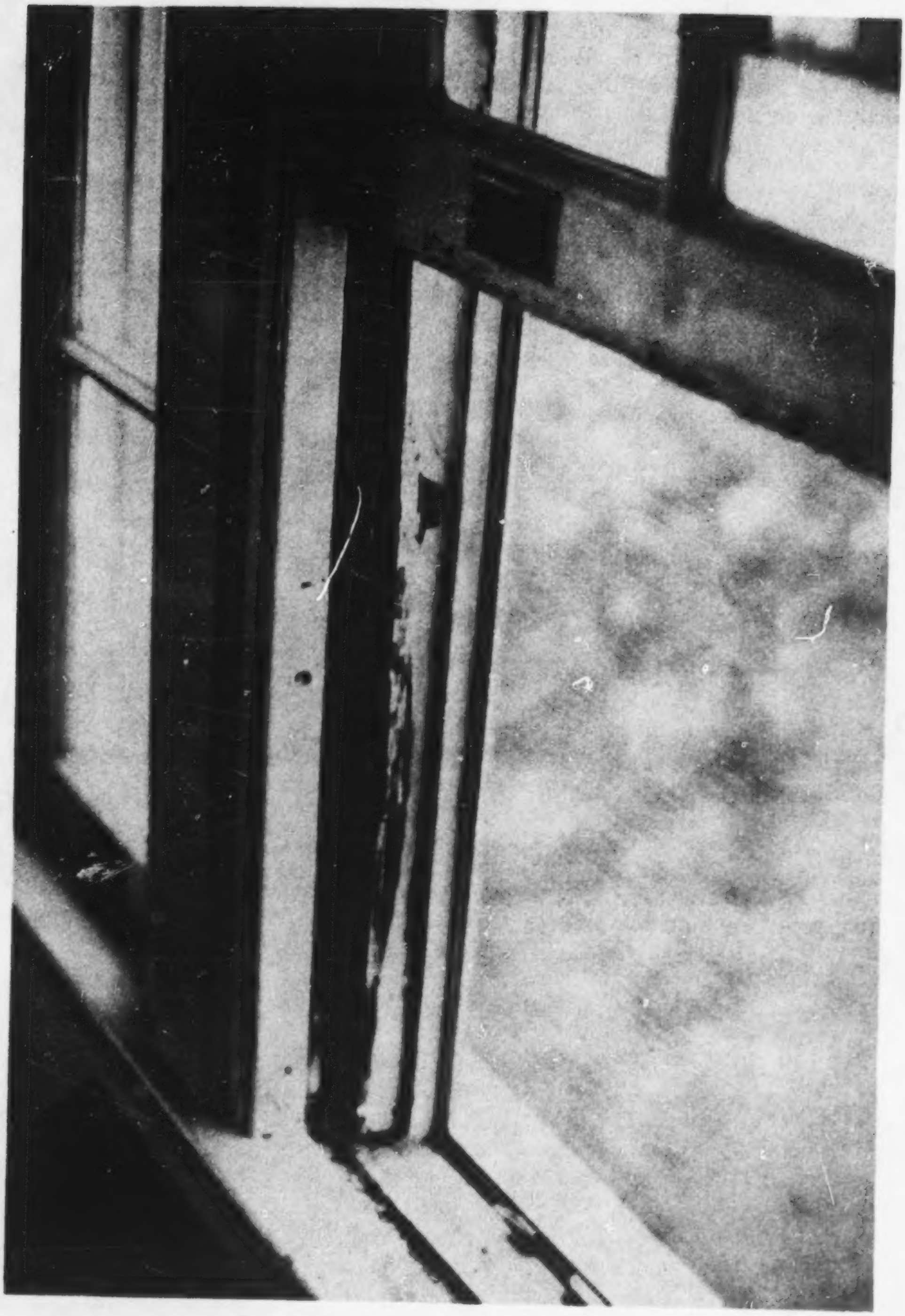


SLIDE 70

REDUCTION OF BACKLOG

As can be seen from this chart, the backlog of deferred maintenance and repair was reduced in fiscal year 1983 due primarily to the supplemental "Jobs bill" funding. In fiscal year 1984 there will be a slight growth in DMAR due to other service backlogs transferred to the Army in the Oahu consolidation.

We funded, of course, to be able to address that, and bring that DMAR down, but we incurred an additional $54 million by assuming the housing from both the Air Force and the Navy.



SLIDE 71

WINDOW REPAIR

However, with your approval of the program, we plan to continue the reduction in fiscal year 1985 with repair projects such as these old wooden windows at Fort Knox, KY, slide 71, which have rotted with age and are no longer functional or energy efficient.

SLIDE 72

REPLACEMENT WINDOWS

They will be replaced with windows like these which do not require painting and are energy efficient thermo-pane.

Maintenance and Repair Backlog
$668 M

Manageable Level by 1988

Slide 73

Your support of our request will enable us to bring our current backlog of $668 million down to a manageable level by fiscal year 1988. In lieu of painting and repair, siding, such as this shown on the previous page at Fort Leonard Wood, will be covered with new energy efficient, longer lasting and more economical siding as shown below at Fort Stewart.

SLIDE 74

LEASED HOUSING

I have shown you earlier the poor housing conditions in Europe. This is an example of the type of leased housing units we have acquired through prior year programs.

FY 85 AFH Leasing

Problem: Adequately House Soldiers & their Families

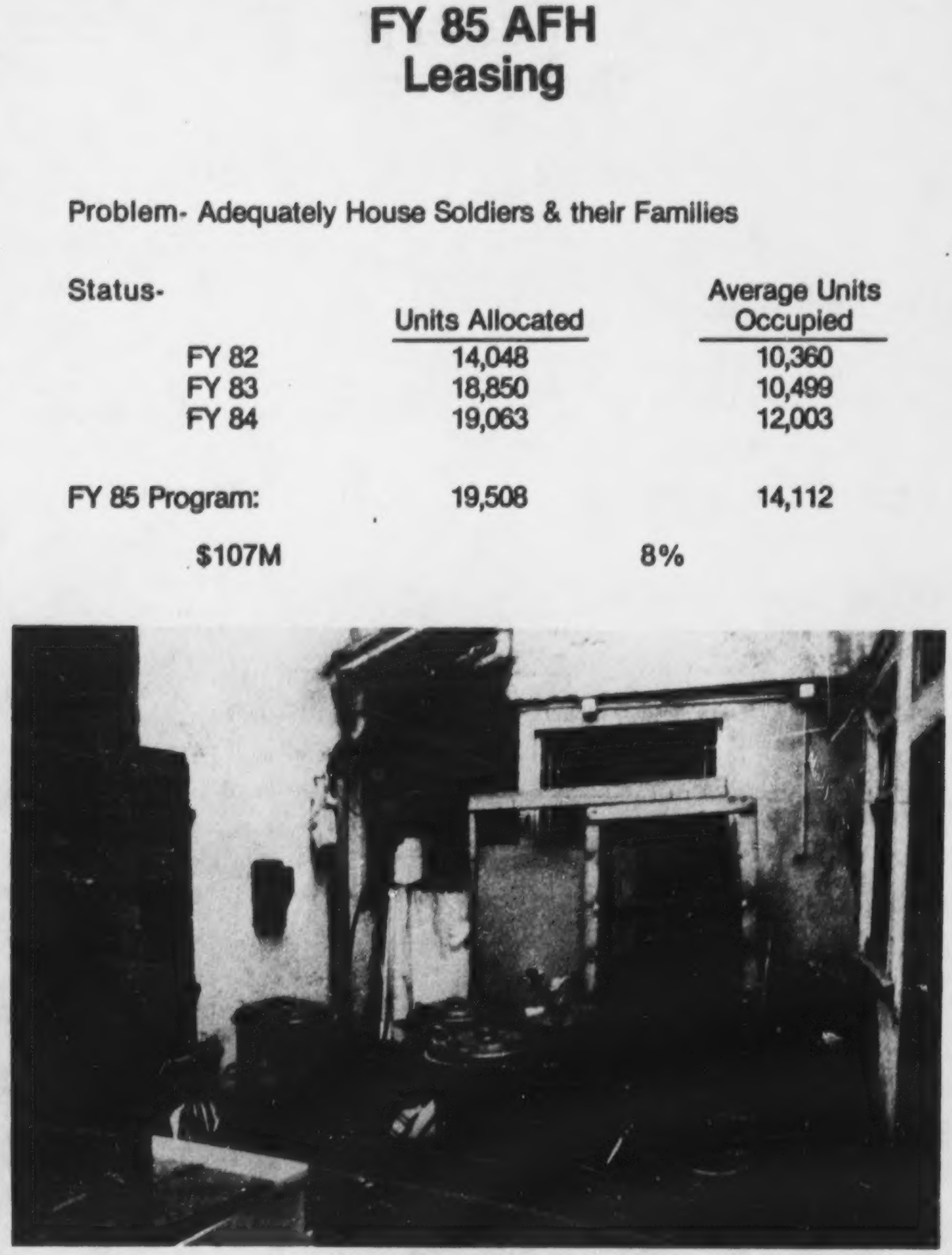
Status:

	Units Allocated	Average Units Occupied
FY 82	14,048	10,360
FY 83	18,850	10,499
FY 84	19,063	12,003

SLIDE 75

LEASING

Over the past 3 years, leasing has been the principal source of new family housing in Europe.



FY 85 AFH Leasing

Problem- Adequately House Soldiers & their Families

Status-

	Units Allocated	Average Units Occupied
FY 82	14,048	10,360
FY 83	18,850	10,499
FY 84	19,063	12,003
FY 85 Program:	19,508	14,112
$107M	8%	

Slide 76

NEW FOREIGN HOUSING

In the foreign leasing program, we are requesting $107 million for a projected increase of over 2,000 units occupied. We are further requesting an increased allocation of 500 foreign leases to provide additional housing in Panama and Korea. This program, in conjunction with new construction, will eliminate our progammable deficit of 16,000 units by fiscal year 1990.

FY 85 AFH
Budget Focus

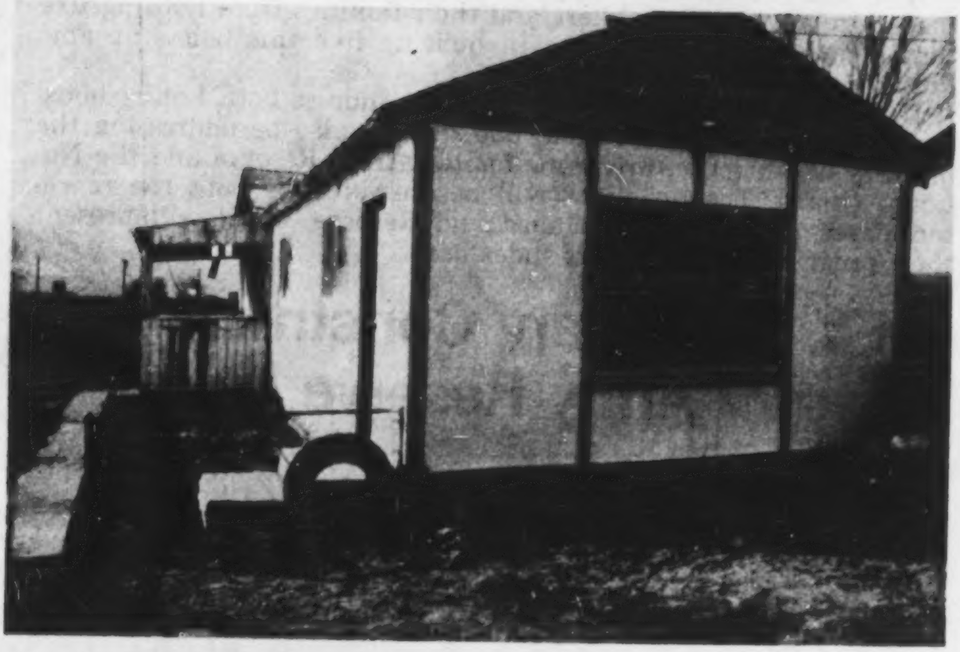
Fix the Inventory
+
Renew the Inventory
+
Improve Management
+
House More Families

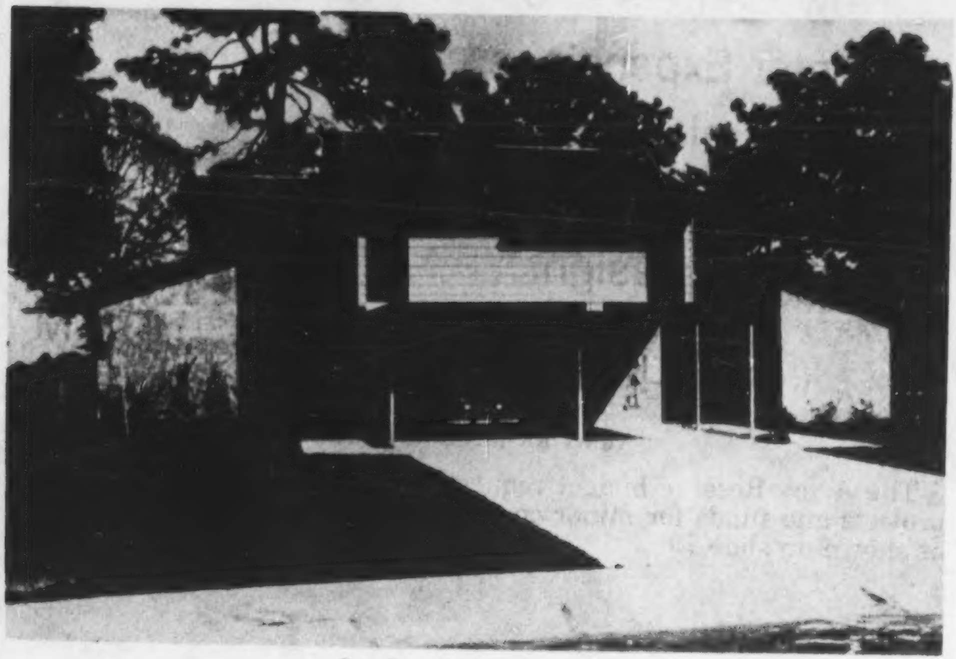
= Better Living Conditions for Soldiers & Their Families

SLIDE 77

MAJOR ACTIONS ON LIVING CONDITIONS

Mr. Chairman, the Army's fiscal year 1985 family housing budget focuses on improving the living conditions of our people by achieving the four major actions depicted here.





Fort Polk, Louisiana Housing

Slide 78

With this committee's approval, we will be further down the road to removing our soldiers and their families from housing like that above and putting them in housing like this below at Fort Polk, LA.

Mr. Chairman, since we will not only address both family housing and military construction, but we will also be addressing the military construction programs for the Army Reserve and the National Guard. The questions will be answered by both the representatives from both the Guard and Reserve, but I will present their program in a few short slides here.

FY 85 Military Construction Army Reserve

Major Construction	$56 M
New Centers - 6	
Center Expansions - 24	
Field Training Sites - 2	
Minor Construction	6
Planning & Design	8
	$70 M

Slide 79

ARMY RESERVE BUDGET

The Army Reserve budget request amounts to $70 million for 32 projects and funds for minor construction and planning and design as shown on slide 79.

FY 85 Military Construction Army Reserve Significant Projects

Nashville, TN	$5.6 M
Ft. Drum, NY	4.7
Birmingham, AL	3.1
American Somoa	3.1
Cranston, RI	2.9
Lewistown, PA	2.5
Indianapolis, IN	2.5
Greenville, SC	1.2

SLIDE 80

MAJOR CONSTRUCTION PROJECTS

The 32 major construction projects are located throughout the United States. A representative sample of the more significant ones are shown on the slide. Most of the rest of the projects are at $1 million or less.

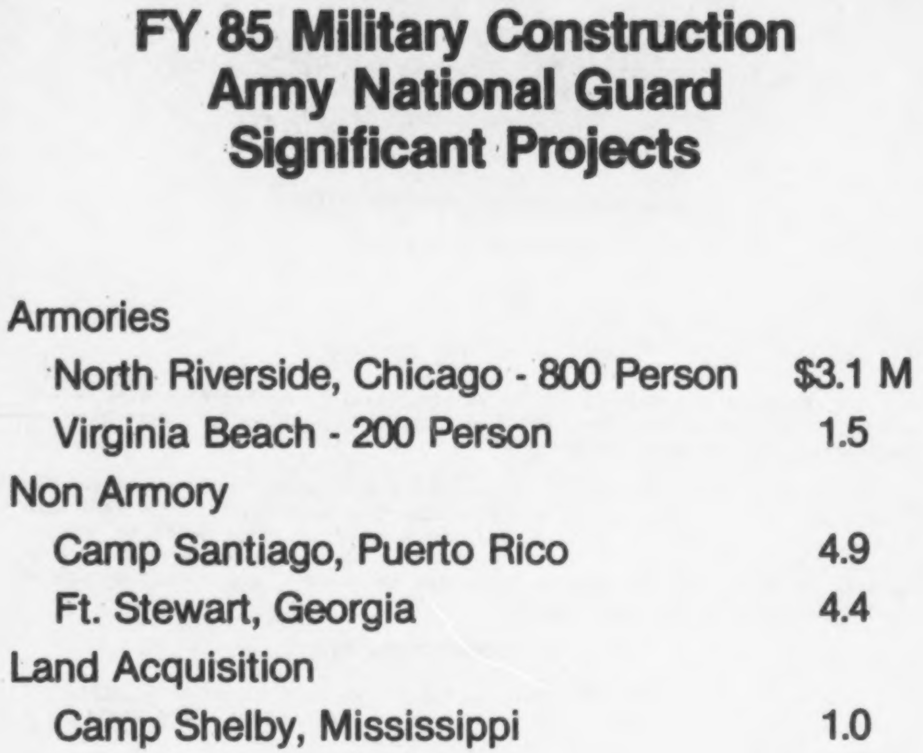
FY 85 Military Construction Army National Guard

Major Construction	$61 M
27 Armory Projects (28M)	
22 Non-Armory Projects (32M)	
1 Land Acquisition (1M)	
Minor Construction	19
Planning & Design	9
	$89 M

SLIDE 81

ARMY NATIONAL GUARD BUDGET

The budget request for the Army National Guard military construction program of $89 million represents their requirement for 49 construction projects, one land acquisition action, and minor construction, planning and design efforts.



FY 85 Military Construction Army National Guard Significant Projects

Armories	
North Riverside, Chicago - 800 Person	$3.1 M
Virginia Beach - 200 Person	1.5
Non Armory	
Camp Santiago, Puerto Rico	4.9
Ft. Stewart, Georgia	4.4
Land Acquisition	
Camp Shelby, Mississippi	1.0

SLIDE 82

MAJOR CONSTRUCTION PROJECTS

Major construction projects involve 27 armories, the largest ones are in Chicago and Virginia Beach, as listed, and 22 nonarmory facilities, including two mobilization and training equipment sites, one at Camp Santiago, PR, and the other at Fort Stewart, GA. Additionally, there is one land acquisition at Camp Shelby, MS.

There is one special language issue in the Army National Guard request. Under title VII, Guard and Reserve facilities of the Military Construction Authorization bill, request is made to amend the statutory provisions for Federal contribution for the construction to upgrade critical portions of armories.

This request change impacts the Army National Guard and their relationship with the State for armory construction. The Army Guard is seeking authority to fully fund the necessary minor changes in existing armories, such as building an expanded supply room, when new Federal missions mandate such changes in armory functional areas.

Mr. Chairman, that completes our presentation. I will be pleased, along with Gen. Harry Mott from the Army Reserve, and Gen. Richard Dean from the National Guard, to answer your questions.

[The prepared statement of General Delbridge follows:]

PREPARED STATEMENT OF MAJ. GEN. NORMAN G. DELBRIDGE, JR.

ASSISTANT CHIEF OF ENGINEERS

OFFICE OF THE CHIEF OF ENGINEERS

DEPARTMENT OF THE ARMY

SASC/SAC OPENING STATEMENT

Mr. Chairman and Members of the Subcommittee. I am Major General Norman G. Delbridge, Jr., Assistant Chief of Engineers, Office of the Chief of Engineers, Department of the Army.

Once again, I am pleased to appear before the subcommittee to present the Army's portion of the annual Military Construction Appropriation request. The fiscal year 1985 request sustains efforts started in prior years to improve the operational readiness of the Army while, at the same time, providing those quality of life improvements so necessary to attract and retain dedicated individuals to service in the Army.

MILITARY CONSTRUCTION, ARMY

The fiscal year 1985 MCA budget includes a request for total obligational authority of $1,900,000,000 and a companion request for authorization of $2,261,720,000 (CHART 1). The appropriation request does not include $30,120,000 for construction at Army Ammunition Plants that is part of the authorization request but is appropriated in the Defense Appropriation Act. However, it does include $10,200,000 for the Binary Munitions facility at Pine Bluff, Arkansas which was authorized in fiscal year 1983. The full authorization of $353,000,000 for Madigan Army Medical Center is being requested, but only $11,200,000 in appropriation is needed for the first year. The fiscal year 1985 MCA request supports the Army's readiness objectives identified by the Secretary of the Army and the Chief of Staff in their joint fiscal year 1985 Army Posture statement.

CHART 1

FY 85 MCA

($000)

FACILITY CATEGORY	AUTHORIZATION	APPROPRIATION
OPERATIONS AND TRAINING	380,860	380,860
MAINTENANCE AND PRODUCTION	405,410	415,610
RESEARCH, DEVELOPMENT, TEST AND EVALUATION (RDT&E)	48,450	48,450
SUPPLY	83,120	83,120
MEDICAL	506,650	164,850
ADMINISTRATIVE	44,900	44,900
HOUSING	276,690	276,690
COMMUNITY	61,630	61,630
UTILITIES	98,140	98,140
ENERGY CONSERVATION	48,140	48,140
OCCUPATIONAL SAFETY	1,700	1,700
POLLUTION ABATEMENT	42,130	42,130
REAL ESTATE AND ACCESS ROADS	10,780	10,780
UNSPECIFIED MINOR CONSTRUCTION	33,000	33,000
PLANNING AND DESIGN	190,000	190,000
ARMY AMMUNITION PLANTS	30,120	
TOTAL	2,261,720	1,900,000

TABLE I shows the facility categories in which the funds are requested and the percentage of the construction dollars by category.

TABLE I - PROPOSED FISCAL YEAR 1985 MILITARY CONSTRUCTION, ARMY, PROGRAM

FACILITY CATEGORY SUMMARY

FACILITY CATEGORY	AUTHORIZATION		APPROPRIATION	
	COST ($000)	% OF TOTAL	COST ($000)	% OF TOTAL
Opns and Trng	380,860	16.84	380,860	20.05
Maint and Prod	405,410	17.92	415,610	21.87
RDT&E	48,450	2.14	48,450	2.55
Supply	83,120	3.67	83,120	4.37
Medical	506,650	22.40	164,850	8.68
Administrative	44,900	1.99	44,900	2.36
Housing	276,690	12.23	276,690	14.56
Community	61,630	2.73	61,630	3.24
Utilities	98,140	4.34	98,140	5.17
Energy Conserv	48,140	2.13	48,140	2.53
Occupational Safety	1,700	.08	1,700	.09
Pollution Abatement	42,130	1.86	42,130	2.22
Real Estate and Roads	10,780	.48	10,780	.57
Minor Construction	33,000	1.46	33,000	1.74
Planning and Design	190,000	8.40	190,000	10.00
Army Ammuni Plants	30,120	1.33	—	—
Total requested:	2,261,720	100.0	1,900,000	100

TABLE II shows the distribution of the authorization and appropriations requests among major commands in the United States and overseas. For the appropriations request construction projects in the United States account for $1,083 million (57%) of the budget request. Construction projects outside the United States total $594 million (31%). This year's request for planning & design and unspecified minor construction totals $223 million (12%).

Seen another way, fifty-four percent of this year's request is for support of new missions and current mission shortfalls not fully satisfied in prior years (CHART 2). The funding in support of new weapons systems highlights this segment. In addition thirty-six percent of our request is for replacement and modernization of the Army's worldwide inventory of aging facilities. Even though MCA funding has increased over the past few years, the rate of increase has not been sufficient to overcome the impact of inflation and the additional costs to support the new systems, thus we have been unable to reduce the Army's backlog of construction. Our current backlog amounts to $25 billion, a $700 million increase over what I reported last year. In an attempt to significantly reduce this backlog, current planning calls for military construction funding at greater levels over the next five years. The balance of the program (10%) is for planning and design.

TABLE II - PROPOSED FISCAL YEAR 1985 MILITARY CONSTRUCTION, ARMY PROGRAM COMMAND SUMMARY

COMMAND	AUTHORIZATION COST ($000)	AUTHORIZATION % OF TOTAL	APPROPRIATION COST ($000)	APPROPRIATION % OF TOTAL
INSIDE THE UNITED STATES				
Forces Command	721,720	31.91	379,920	20.00
Training and Doc Cmd	238,310	10.54	238,310	12.54
Matrl Dev & Read Cmd	239,570	10.59	249,770	13.14
Western Command	44,700	1.98	44,700	2.4
Hlth Serv Command	138,850	6.14	138,850	7.3
Comm Command	5,670	.25	5670	.3
Mil Dist of Wash	700	.03	700	.04
US Military Academy	950	.04	950	.05
Ballistic Misl Def Cmd	12,800	.57	12,800	.67
Mil Traf Management Cmd	3,310	.15	3,310	.17
Army Ammuni Plants	30,120	1.33	—	—
Other	7,900	.35	7,900	.42
TOTAL	1,444,600	63.88	1,082,880	57.03
OUTSIDE THE UNITED STATES				
US Army, Europe	332,280	14.69	332,280	17.5
Eighth US Army, Korea	121,340	5.36	121,340	6.4
Western Command	67,000	2.96	67,000	3.5
Forces Command	69,200	3.06	69,200	3.6
Intell & Sec Cmd, Korea	2,400	.11	2,400	.13
US Army, Japan	1,900	.08	1,900	.1
TOTAL	594,120	26.26	594,120	31.23
OTHER				
Planning and Design	190,000	8.4	190,000	10.0
Minor Construction	33,000	1.46	33,000	1.74
TOTAL	223,000	9.86	223,000	11.74
Total requested:	2,261,720	100.0	1,900,000	100.0

CHART 2

FY 85 MCA BUDGET REQUEST

	AUTHORIZATION %	AUTHORIZATION ($ MILLION)	APPROPRIATION %	APPROPRIATION ($ MILLION)
NEW MISSION	26	584	31	584
CURRENT MISSION	21	462	23	432
REPLACE/MOD	45	1,026	36	694
PLANNING & DESIGN	8	190	10	190
TOTAL	100	2,262	100	1,900

PROGRAM HIGHLIGHTS

With the Committee's permission I would like to briefly highlight the MCA program from our soldiers' point of view, that is - how the program affects where he or she lives, works and trains.

LIVING CONDITIONS

The Army's Quality of Life Program, intended to foster improved morale and individual readiness, continues to receive widespread support in this year's request with 27 percent of the total construction request allocated to troop housing, medical, and community facilities. A total of 7,048 unaccompanied enlisted and 308 unaccompanied officer quarters are to be provided in the United States and 6767 unaccompanied enlisted and 109 unaccompanied officer quarters overseas. Although troop housing projects represent 15% of the budget at $277 million, there is still a balance of 79,726 quarters, both new construction and modernization, required to adequately house our soldiers. The fiscal year 1985 Medical Construction Budget request is for $164,800,000. This request includes projects for three hospitals, three dental clinics and eight combination medical/dental clinics. Five projects are in Germany, two in Korea and seven in the United States. The budget request seeks $353 million in authorization and $11.2 million in appropriations to replace Madigan Army Medical Center, Ft. Lewis, Washington. The remaining appropriation requests will be made in subsequent years in line with actual outlays. This incrementally funded approach is consistent with Congressional guidance and PL 97-214. Although our budget request of $62 million for community facilities is highlighted by fifteen physical fitness centers and six child care facilities, there remains a balance of 174 physical fitness centers and 177 child care facilities worldwide.

WORKING AND TRAINING CONDITIONS

The fiscal year 1985 MCA Program emphasizes improving the working and training conditions of our soldiers. This year's appropriations request is for $972,940,000 or 51 percent of the Army's program. Maintenance facilities at $315,410,000 comprise the largest portion of our construction program. This represents 58 facilities, 21 of which are required to properly field new equipment. The largest category, tactical equipment shops, comprises 37 facilities at $218,000,000 as we continue our efforts to reduce both mission shortfalls and substandard working conditions. Thirty-nine military construction projects totaling $166 million provide for upgrading of existing or construction of new training facilities and ranges. Our largest category, ranges, comprises 18 facilities at $74,420,000. These range complexes are necessary to accommodate the increased firepower of the new weapons systems and to enable adequate training of personnel in the most efficient use of these vastly more effective weapons.

GEOGRAPHICAL DISTRIBUTION HIGHLIGHTS

UNITED STATES

Our budget request for the United States this year provides $1,083 million in construction projects. The projects are located at installations in 28 states and the District of Columbia. Projects totaling more than $30 million in construction are located in California, Colorado, Georgia, Hawaii, Illinois, Kansas, Kentucky, Louisiana, Maryland, New Jersey, North Carolina, Texas and Virginia. Fort Stewart, Georgia and Fort Bragg, North Carolina are scheduled for the largest installation level investment with $66.45 million and $60.9 million respectively. The 9 projects at Fort Stewart include two tactical equipment shops, one multi-purpose training range, a new barracks with dining facility, one automated data processing building, one child care center, one water pollution abatement facility, one physical fitness training center, and one parachute drying tower. The 13 projects at Fort Bragg are for facilities to improve the living and working conditions for units under the XVIII Airborne Corps to include force modernization facilities for new equipment being fielded in the 82d Airborne Division. The projects at Fort Bragg provide barracks, dining facilities, maintenance and equipment shops, training range facilities, physical fitness center, flight simulator, parachute rigging facility and energy conservation improvements.

The largest single project in the United States is a hospital addition/alteration at Tripler Army Medical Center, Hawaii. This project will complete the final phase of the hospital and clinic renovation and renewal program which, when finished, will provide quality health care facilities. The existing antiquated portion of the hospital is operating inefficiently under crowded conditions. Health care is being provided without patient privacy in a facility not meeting modern health standards.

EUROPE

Over the past three fiscal years, we have made good progress toward correcting the ravages of years of insufficient funding and postponed maintenance and repair. The United States Army Europe (USAREUR) funding has averaged $290 million over fiscal years 1982 through 1984. Continued funding at these levels is essential to maintain the momentum to permit the modernization or replacement of the many remaining unsatisfactory living and working facilities throughout USAREUR.

Our fiscal year 1985 program for USAREUR totals $332,280,000, and represents 17 percent of the Army's fiscal year 1985 request. However, in relation to actual requirements, it is an extremely austere program particularly when you consider the deplorable living and working conditions of our soldiers stationed in USAREUR. Nevertheless, the program will continue the improvements we have started and strikes a balance between requirements and fiscal constraint.

The fiscal year 1985 USAREUR program continues to emphasize improving living and working conditions with 25 percent of the request allocated to construction of barracks, medical, and community facilities. The new barracks will accomodate 3575 enlisted personnel in Germany and Greece. We are not neglecting our continuing commitment to improve readiness of our forces in Europe. Seventy-five percent of our fiscal year 1985 request for USAREUR is to improve facilities closely associated with operations, training, maintenance, utilities, supply and the purchasing of an existing leased facility in Rheinberg, Germany. All of these facilities will not only permit the continued deployment of new weapons systems, but will also materially enhance the conditions where soldiers spend the majority of their work day.

WESTERN PACIFIC

The Army continues to support its commitment in the Western Pacific with a $192,640,000 fiscal year 1985 MCA request mostly for Korea ($123,740,000), but also includes two projects each in Japan ($1,900,000) and Johnston Island ($67,000,000). This represents 10% of the program. Seventy - three percent of the Korea request is allocated to replacing the deplorable facilities used by the 2d Infantry Division, which is deployed near the Demilitarized Zone (DMZ). Let me emphasize that while our construction standards at these locations are austere, they are consistent with enhancing individual, unit, and equipment readiness within the realities of an unaccompanied overseas environment. The fiscal year 1985 request provides housing for 3192 enlisted personnel and 103 officers.

STRATEGIC/CONTINGENCY LOCATIONS

Our FY 1985 program request contains $62 million in facilities required for a staging base to support the reception and forward deployment of Army forces from CONUS to the US Central Command (USCENTCOM) area of responsibility in Southwest Asia. In addition $7.2 million in facilities is required to support US contingency operations in US Southern Command (SOUTHCOM) area of responsibility in Central America. Construction of these facilities will provide a clear indication of our capabilities and intentions to our allies and our adversaries and will have a significant war deterrent effect.

SPECIAL PROGRAM HIGHLIGHTS

AREA ORIENTED DEPOT (AOD) MODERNIZATION

The Area Oriented Depot (AOD) modernization program will provide the Army wholesale supply system with state of the art facilities capable of sustaining a high level of support to the modern Army well into the next century; during peace and mobilization. The AODs at Sharpe Army Depot, California, New Cumberland Army Depot, Pennsylvania, and Red River Army Depot, Texas process 92% of all of the Army's materiel release orders, primarily repair parts.

Our FY 1985 program request contains $49 million for the first Distribution Center facility at Sharpe Army Depot.

Current wholesale supply operations are conducted primarily in patched up WWII vintage facilities. They are inefficient, manpower intensive and are not compatible with modern distribution technology. With expected workload increases of up to 68% by 1990, the current facilities cannot sustain an acceptable level support. The new distribution centers will improve productivity by at least 20%, create a one time cost offset of $53 million, generate a $43 million annual recurring savings, and pay back the investment in four to six years.

CHEMICAL DEMILITARIZATION FACILITY

Our budget request this year provides $46 million for a chemical agent disposal facility at Johnston Island in the Western Pacific. The project is required to provide facilities for the safe and environmentally acceptable disposal of obsolete toxic chemical munitions stored on Johnston Island. PL 91-672 prohibits the movement of these munitions to CONUS for disposal. Since there are chemical munitions in storage that have experienced severe deterioration, the only acceptable disposal method is by controlled demilitarization. The proposed facility will be similiar to the prototype Chemical Agent Munitions Disposal System (CAMDS) facility which has been operating, without incident, at Tooele Army Depot, Utah, since September 1979.

ARMY ENVIRONMENTAL PROGRAM

The Fiscal Year 1985 budget request for pollution abatement consists of three major and three minor construction projects. The total program request is $42.13 million. One project at Radford Army Ammunition Plant, Virginia will provide a closed-loop facility for the treatment of TNT production "Red Water" and is for $26 million. The other two major construction projects are for the Army's share of regional wastewater systems at Picatinny Arsenal, New Jersey and Fort Ord, California. The minor construction projects are for improved petroleum, oil and lubricant management at Fort Stewart, Georgia and Fort Lewis, Washington and for wastewater disposal at Fort Irwin, California.

ARMY ENERGY PROGRAM

The Army continues to place considerable importance in conserving critical energy resources. The fiscal year 1985 Energy Conservation Investment Program consists of 26 projects at a cost of $48.14 million. Our calculations indicate that their completion will produce first year savings of 1.2 trillion BTU's annually. The projects in the program include insulation, weatherstripping, automatic heating controls, energy monitoring and control systems, heat recovery systems and automation of coal plants.

CONGRESSIONAL CONCERNS

During hearings on the fiscal year 1984 MCA request the Congress expressed concerns on Host Nation and NATO infrastructure funding support on which I would now like to report.

The committee requested the Army to accelerate efforts to seek and obtain both approval and a cost sharing arrangement with the Federal Republic of Germany on all projects in support of the Master Restationing Plan (MRP). Bonn officals have been supportive of the plan, but to date have not agreed to negotiate a cost-sharing formula. Efforts continue at the highest levels of the Administration to solve the problem of cost sharing for MRP.

The committee denied the Army's request for the purchase of the Reichel Complex, Rheinberg, Germany because the project failed authorization in the Senate Armed Services Committee (SASC). The SASC requested that the Army seek host nation or NATO infrastructure funding. The Army initiated action with NATO to obtain infrastructure eligibility for the purchase of the Reichel

Complex. NATO concluded that the Complex is not eligible for common funding nor does it appear that it could become eligible in the future. The Federal Republic of Germany has also denied our request to purchase the facility but agreed to buy the land on which the complex is located.

The committee also denied the Army's request for basic load ammunition storage sites in Germany because the projects failed authorization in the Senate Armed Services Committee (SASC). The SASC requested the Army to seek NATO funding eligibility. The Army requested NATO to reassess its position on basic load storage eligibility. NATO's reply reiterated its position that basic load ammunition storage facilities are not now, nor are they anticipated to become eligible for funding. Under present agreement the United States is responsible, as are the other NATO nations, for building their own basic load ammunition storage facilities and those ammunition facilities for an increment of war reserve stocks agreed to by all the nations under the long term defense plan. NATO is responsible for funding the forward storage site program and storage required for reinforcing nations (primarily the US) until resupply is established. The US has fulfilled most of its basic load and all of its long term defense plan commitment. The remaining requirement for construction is the responsibility of NATO, approximately $300 million except for approximately $30 million for sites to store basic load ammunition for newly deployed weapon systems now in the 1985-1989 program.

ARMY FAMILY HOUSING (AFH)

Now I will address the Army's Family Housing Program; a program that will always be of significant importance to soldiers' families. For the Army, the provision of suitable living conditions is an imperative, and thus one of our highest, peacetime priorities. The fiscal year 1985 budget request reflects the Army's commitment to provide adequate housing for our soldiers and to maintain the quality of the facilities entrusted to our stewardship.

BUDGET REQUEST

The FY85 AFH budget request is for $1,425,454,000 in both authorization and appropriation, TABLE III. Approval of this request will permit us to improve the living conditions of our soldiers and their families. It represents the continuation of a program that you have previously endorsed in approving the FY84 Army Family Housing program. The FY85 program will support military families living in 170,800 housing units. We will occupy 14,100 leased units and 156,700 units that we own or control.

The U.S. controlled units are valued at over $12 billion and are, on the average, 28 years old. Past underfunding of this large aging inventory and lack of new construction in recent years have created facility shortages and large backlogs, particularly with regard to the maintenance and repair program.

PROGRAM INCREASE

Our request for $1,425,454,000 is $158,751,000 larger than the fiscal year 1984 appropriation. The causes for the growth are shown in TABLE III. I would like to discuss them briefly. The proposed FY84 pay raise supplemental comprises $3,240,000 of the increase. Inflation of approximately four and one-half percent accounts for over 22 percent of the increase.

TABLE III ARMY FAMILY HOUSING
($ MILLIONS)

Fiscal Year 1984 Appropriation	$1,266
Pay Raise Supplemental	3
Inflation	36
Operation/Leasing Program Increases	66
Maintenance Program Increases	82
Construction Program Reduction	-15
Debt Payment Program Reduction	-13
Fiscal Year 1985 Budget Request	$1,425

The construction program has been reduced $14,668,000 from last year's request. This is due to the Army test of the two major pilot programs approved in the FY84 authorization bill for domestic build-to-lease and Housing Rental Assurance. Additionally, the Debt Payment program was reduced $12,921,000 because the number of mortgages is decreasing as they are being paid off.

Program increases in operations and leasing amount to $65,900,000 and will permit us to execute additional leases in Panama, Korea, and Germany and to pay for additional operational requirements. The most noteworthy growth in the FY85 program is the Army's continued attack on the maintenance and repair backlog. We have added $81,700,000 to the maintenance program to insure the backlog reduction started largely as a result of the FY83 "Jobs Bill" is continued.

HOUSING PROGRAM ACCOUNTS

CHART 3 shows the distribution of the $1,425,454,000 among the various program accounts. Thirty-four million dollars or two percent is going to meet the new construction requirements, while another one hundred nine million dollars or eight percent will fund improvements to our aging inventory and energy conservation investment program projects. Fourteen million dollars, one percent, will provide resources for planning and design for future construction.

CHART 3
FY85 ARMY FAMILY HOUSING
BUDGET REQUEST

	PERCENT	($MILLIONS)
NEW CONSTRUCTION	2	34
POST ACQUISITION CONSTRUCTION	8	109
PLANNING AND DESIGN	1	14
OPERATION/MAINTENANCE	80	1,140
LEASING	8	107
DEBT PAYMENT	1	21
TOTAL	100	1,425

The operation and maintenance portion is 80 percent of the total request and will cover the costs of operating ($542,838,000) and maintaining ($596,521,000) our current inventory, including reducing the backlog of deferred maintenance and repair by approximately one hundred million dollars. The leasing program accounts for one hundred and seven million dollars or eight percent of the program. The balance of the funds requested, over twenty-one million dollars or one percent, provide for remaining indebtedness for Capehart and Wherry housing and servicemen's mortgage insurance premiums paid under the debt payment account.

NEW CONSTRUCTION

It is Army policy that the first source of family housing is the civilian community. The concept of the Variable Housing Allowance (VHA) supports this policy. The Army's execution of the two test programs approved under Sections 801 and 802 of Public Law 98-115 also fully supports this policy. However, at overseas communities and certain locations where installations are so remote as to preclude such support it is imperative that the Army take positive steps to provide adequate housing for our military families. New construction is programed when these conditions exist and it is a more economical alternative.

TABLE IV shows the fiscal year 1985 projects for family housing units and for the acquisition of an unacquired Wherry housing project at Sierra Army Depot, California. Our fiscal year 1985 request is primarily for Europe so that we can provide adequate housing to an additional 292 families. The balance of the program will provide 80 new units for Sierra Army Depot.

TABLE IV ARMY FAMILY HOUSING NEW CONSTRUCTON

FISCAL YEAR 1985 BUDGET REQUEST

Location	No. of Units
Sierra Army Depot	80*
Babenhausen, Germany	106
Mainz, Germany	186
	372

* Plus acquisition of unacquired Wherry housing, Sierra Army Depot

SIERRA ARMY DEPOT PLAN

The fiscal year 1985 family housing new construction request contains a comprehensive plan to provide adequate, safe and sanitary housing at Sierra Army Depot. This plan includes acquisition of the privately owned Wherry housing units located there. The Army will then construct 80 new units and upon their completion dispose of or demolish the old Wherry units.

The Army has reviewed many options prior to including this plan for Sierra in this budget. Sierra is an isolated location, 45-50 minutes from the nearest community. Because of its (D) mission, this is unacceptable commuting time. In addition to the isolated location, the current housing conditions offer not only unsatisfactory housing conditions but also unacceptable potential for security risk due to the shared use of the privately owned Wherry housing with civilian tenants not associated with the Army's mission. Based upon these factors, the Army believes that replacement of these unsatisfactory housing units with adequate housing is important not only to the Army occupants but also necessary for the successful completion of Sierra's mission.

POST ACQUISITION CONSTRUCTION

Post acquisition construction consists of improvements to the current inventory to bring them up to contemporary standards and energy conservation investment projects to improve the energy efficiency of our existing inventory. Due to the aging of our inventory, both of these areas continue to have large requirements.

The fiscal year 1985 improvement program will provide improvements to approximately 7,000 units at 35 locations. Included in these numbers will be whole house renewal for 2,300 units at 22 locations and smaller selected improvements to some 4,700 units at 13 locations worldwide.

The Army Family Housing Energy Conservation Investment Program (ECIP) continues to receive emphasis. The fiscal year 1985 budget request contains $19,842,000 for this purpose. As in other cases, the Army has a backlog of energy conservation projects, approximately one hundred sixty-six million dollars, for its housing units. These funds will be applied primarily to the higher/quicker payback projects.

OPERATION AND MAINTENANCE

The operation and maintenance program comprises the majority of this year's budget request. In funding this program we must first insure that the cost of ownership is funded. This is defined as those annual expenditures necessary to operate and maintain the existing family housing inventory and thus provide for the careful stewardship of this inventory. Secondly, we will fund new initiatives that support more fully our mission of providing adequate housing to our military families.

The major increase in the operations program is the growth of the furnishings program. With the continued implementation of the limited furnishings shipment policy to Europe, which will provide government owned furnishings to military families assigned to Europe, the furnishings account will increase to one hundred and thirty-three million dollars in fiscal year 1985. This increase is offset by a reduction to the Military Personnel Army (MPA) account in another portion of the Army's budget. Continued funding of the furnishings program is paramount to implement the new program, realize projected savings and provide adequate support to our soldiers overseas.

DEFERRED MAINTENANCE

Deferred maintenance is that maintenance and repair work scheduled for completion in an annual work plan but not accomplished due to insufficient funding. Although our deferred maintenance backlog has decreased from the fiscal year 1983 level, it remains too large. The backlog of deferred maintenance and repair was reduced in fiscal year 1983 due largely to the supplemental "Jobs Bill" funding. This and funding in fiscal year 1984 would have permitted a major reduction in the overall backlog. However, in fiscal year 1984 the Army acquired 12,000 units from other services in the Oahu consolidation action and the backlog of deferred maintenance and repair associated with those units. This will cause a slight growth in the backlog in fiscal year 1984. However, with the funding requested this year the Army will continue the reduction initiated with the Jobs Bill and reduce the backlog by approximately one hundred million dollars. Continued support of this program will insure that the housing units provided to military families are in fact adequately maintained.

LEASING

Another means of adequately housing our military families is the leasing program. Our fiscal year 1985 request includes the last few remaining domestic leases authorized under the current lease program. Based upon the scheduled termination of occupants' current requirements, all domestic leases are expected to be terminated by the end of fiscal year 1985. In the foreign leasing area our appropriation request is for one hundred seven million dollars, which will support an average of 14,112 units. However, by the end of the fiscal year, we will have over 14,440 units actually occupied. The total authorization is for 19,482 units basically to satisfy housing requirements in Europe, Panama, and Korea.

FAMILY HOUSING PILOT PROGRAMS

The last housing item I would like to discuss is the two pilot programs approved in last year's authorization legislation. The Army has fully supported these programs as another means of reducing the housing deficits in an economical manner.

The Army is working closely with the Office of the Secretary of Defense in setting up the procedures to be used in implementing these programs and expects to have preliminary results by the end of this fiscal year. It is our belief that we must provide our military families with decent and safe housing in the most economical method possible. These programs are a good test of alternative methods for meeting these goals. We appreciate your support with these programs and look forward to presenting the results of these tests as soon as they are available.

SUMMARY

Mr. Chairman, in summary, I would like to emphasize that the Army's fiscal year 1985 Military Construction and Family Housing budget request reflects the needs of the service and supports the programs presented by the Secretary of the Army and the Chief of Staff. The request emphasizes readiness, the Army's effort to improve our soldiers' living, working, and training conditions, and to replace deteriorated facilities. It includes those projects of highest priority which are consistent with fiscal realities. Approval of the request will enhance the Army's ability to enlist and retain quality soldiers and support the improvement of the Army's operational readiness and war fighting ability.

Sir, this concludes my statement. I would be pleased to answer any questions or arrange for answers to be inserted in the record.

MAJOR GENERAL NORMAN G. DELBRIDGE, JR.

Major General Norman G. Delbridge, Jr., was born 4 January 1928 in Detroit, Michigan. He is a 1953 graduate of the US Military Academy, having also served as an enlisted man and active reserve officer for three years prior to entry into West Point.

He holds a master's degree in civil engineering from Iowa State University and is a registered professional engineer. General Delbridge is a graduate of the US Army Command and General Staff College and the Army War College; has attended Michigan Technological University at Houghton, Michigan; and has served two years as Assistant Professor of Military Science at Michigan State University at East Lansing, Michigan.

General Delbridge's service with engineer troop units has included tours in Korea as commander of a combat engineer company in the 3d Infantry Division and in Vietnam as commander of the 4th Engineer Battalion, 4th Infantry Division. He has also commanded the Division Support Command of the 3d Armored Division in Germany.

In addition to various staff positions, recent assignments have included tours as the South Pacific Division Engineer in San Francisco; as European Division Engineer in Frankfurt, Germany; with the Army Staff; and as the District Engineer at Pittsburgh, Pennsylvania.

On 15 September 1980 General Delbridge was assigned to the Office of the Chief of Engineers with duty as the Assistant Chief of Engineers.

INTRODUCTION OF SENATOR BINGAMAN

Senator THURMOND. Thank you very much, General, for your presentation. It was very interesting and very complete.

I would like to recognize a new member of the subcommittee, the distinguished Senator from New Mexico, Senator Bingaman. We are pleased to have you on the subcommittee.

Senator BINGAMAN. Thank you, Mr. Chairman. It is nice to be here.

Senator THURMOND. It will be a pleasure to work with you.

The distinguished Senator from Georgia and I are holding a joint hearing, because we thought it would save time.

General DELBRIDGE. Yes, sir.

Senator THURMOND. He is the chairman of the Appropriations Subcommittee on Military Construction, and I am the chairman of the Authorization Subcommittee.

Without objection, I will place my statement in the record.

Did you present your statement?

Senator MATTINGLY. Yes.

[The prepared statement of Senator Thurmond follows:]

PREPARED STATEMENT BY SENATOR STROM THURMOND, CHAIRMAN SUBCOMMITTEE ON MILITARY CONSTRUCTION, SENATE COMMITTEE ON ARMED SERVICES

This afternoon we are continuing our series of hearings on the FY-85 Military Construction Bill. General Delbridge, the Assistant to the Army Chief of Engineers, will present the Army programs,

As is our practice, we are in open session and I want to proceed as far as we can in open session. If necessary, we will go into executive session after all open testimony has been completed to consider any classified matters that may come up.

I am quite pleased to be conducting these hearings as joint hearings. I want to apologize to my good friend and co-chairman for these hearings, Senator Mattingly, for missing the first part of yesterday's hearing. One of the benefits of these joint hearings is that if one of the Chairman is unavoidably detained, the other can preside.

BUDGET REDUCTIONS DRILL

Senator **Thurmond**. Senator Mattingly, why don't you proceed.

Senator **Mattingly**. General, I understand you are currently going through a budget drill to meet the reductions proposed in the President's deficit reduction package. I wonder if you could give us any idea of the magnitude of the reductions as far as Army military construction?

General **Delbridge**. You are right, Senator Mattingly, we are going through such a drill that has caused a great deal of turbulence, as I am sure you can imagine. We do not have the final program yet, so I cannot truthfully state what is the military construction portion of that. However, I will tell you that that is being finalized by the Secretary of the Army today, and we expect that it will go to the Secretary of Defense, probably, tomorrow.

What will take place from that point on, we are not quite sure. We expect that certainly the results will be provided to the committee prior to your markup.

DELAYED PROJECTS

Senator **Mattingly**. I have spoken to the Secretary of the Army this morning on another subject. As you well know, we have roughly a 40-percent-plus increase in military construction this year. The Army, as I heard you refer to it, has a modest increase, but I am sure that you will have to take some reductions.

Are you trying to determine now, though, which projects can be delayed?

General **Delbridge**. We are, Mr. Chairman, actively looking at that. We have certainly established priorities within the framework of what I have discussed in my presentation. We hope to be able to retain those projects that have directly to do with the living and working conditions of our soldiers.

You are exactly right, the size or our program is high as far as an increase over last year, but the nature of that program is in fact making up for decades of not addressing our soldiers' needs. As I mentioned to you, a third of that program deals just in nothing but new barracks to get them out of World War II and Korean quonsets and out of the mud at the maintenance facilities. The rest of it is as I laid out.

That is the priority we have set in addressing the projects for this proposed cut. Let's defer what we can defer, but let's stick with our priorities.

Senator **Mattingly**. I won't put you in the same box I put you in last year about the Davis-Bacon. If Senator Thurmond and I can get that conventionally passed in the Congress, maybe we can build more.

HONDURAN PROJECTS

The Army program requests two projects to be built in Honduras, and what they are, of course, I am sure you are familiar with them, is $4.3 million for the relocatable contingency facility at Palmerola Air Base, and $2.9 million for a prestock point contingency facility near San Lorenzo.

Would you please explain for the committee what these facilities consist of and their purpose?

General **Delbridge**. The one at Palmerola, Mr. Chairman, consists of facilities for an aviation unit. These will include some relocatable type buildings. The specific mission of the organization, we would have to discuss in closed testimony; it can't be discussed in open testimony.

They are contingency type facilities. They are not established for purposes of a permanent stationing of troops at that location. The facility consists of an aircraft parking apron, a maintenance hangar, an admin and supply building, dining facility, and so forth. The total number of people involved would be somewhere in the neighborhood of about 50 to 100.

In the case of the contingency facility at San Lorenzo, that facility would be similar to a standard storage facility, and would store bulk contingency type materiel that would be needed prior to the time it would take to ship it down. These would be bulk items. They would be simply warehouses, and some steel-arch magazines. They would include [deleted] that sort of thing, which would be used on a contingency basis.

SUPPLIES AT SAN LORENZO

Senator **Mattingly**. At San Lorenzo, I understand that is to house, as you say, the oversized supplies which can only be brought in by sea because of the lack of adequate air facilities. Is that true, or can you comment on it?

General **Delbridge**. I believe that it is principally the bulk items and not necessarily because of the inadequate air facilities, as I understand it, Mr. Chairman, because to bring it in by air, with the bulk and the weight, would be prohibitive. Therefore, it would be more desirable to store those bulk items on site.

RELOCATABLES

Senator **Mattingly**. In reference to the relocatables, can you give us some examples of similar facilities?

General **Delbridge**. The relocatables, Senator Mattingly, are somewhat similar to what has been referred to as the Central American tropical hut. These relocatables are facilities that are easily packaged. The CAT huts are the next step above a tent. As a matter of fact, the reason they are built, from a financial standpoint, is because they are actually cheaper than the standard GP medium tent that we would normally use.

Certainly to erect a tent in the tropics and tear it down, and do it over again would be counterproductive. We found that using relocatables not only gives us a little more capability in that regard with lower maintenance, but also they can be removed as desired.

SIMILAR-TYPE FACILITIES

Senator **Mattingly**. Are there examples of similar type facilities anywhere else?

Mr. **Carton**. We have built some preengineered type construction and some relocatables in Korea and other Far East locations.

Generally, we use the relocatables for relatively short term missions rather than building a permanent facility.

General **Delbridge**. We rate this type of structure Mr. Chairman, including the preengineered metal building, for example, as a facility that would be relocatable, something that you could go in and disassemble and move to another location. It doesn't mean that it is necessarily disassembled easily, but you can, as the requirement presents itself, disassemble these metal buildings and move them.

Senator **Mattingly**. You realize those funds that are put in your budget are really semifrozen or frozen until such time as we get the plan.

General **Delbridge**. Yes, sir, we understand that. I assure you, from the service point of view, we have worked very, very closely with the Defense Department to facilitate the movement of that plan over here.

Senator **Mattingly**. We have a 10-minute rule, and I am not sure if my 10 minutes are up or not.

CONSTRUCTION NEEDS OF NEW LIGHT DIVISIONS

Can you give me some information in reference to the construction needs with regard to the new light division which is going to become part of the Army's force structure?

General **Delbridge**. I cannot yet give you the construction requirements.

Senator **Mattingly**. Do you know where the basing is going to be?

General **Delbridge**. That is why I can't tell you.

Senator **Mattingly**. Tennessee, Georgia, South Carolina, or all of the above?

General **Delbridge**. It is for the Chief of Staff of Forces Command at Fort McPherson to study a number of options, Senator Mattingly. That study is expected to reach the Department of the Army at the end of this month. At that time, there will be a narrowing, if you will, of options, and the commencement of the environmental impact statement.

I will assure you that there are no projects in the fiscal year 1985 program that deal with the light division. As has been pointed out in other committees by the Deputy Chief of Staff for Operations, there are a variety of alternatives, but the ones he showed, for example, there could be a west coast option, and he gave these only tentatively, for example, with a potential two locations, one at Fort Ord and one at Fort Lewis, and perhaps a brigade in the Reserve. In the east coast option, there are possibilities at Fort Benning, Fort Campbell, and Fort Drum.

Again, a brigade of that division could be a Reserve option. There are a variety of permutations and combinations of where they could be located. The factors that apply to that are the size of the installation, to be able to take tactics for the kind of missions this division will have, and existing facilities, that is what will drive the cost.

Senator **Mattingly**. I see my time is up.

STATIONING OF LIGHT INFANTRY DIVISION

Senator **Thurmond**. General, I am just going to ask you to summarize the Army's decision with regard to the stationing of the light infantry division. Is there anything you want to say about that?

General **Delbridge**. I think not, Mr. Chairman. I think we will see that decision made on a firm location sometime in the late spring or summertime. Again, it will depend on the finalization of the environmental impact statement. I know the Secretary is still visiting various locations. In fact, I think tomorrow he will visit some other new location.

Senator **Thurmond**. Has he visited Fort Jackson yet? [Laughter.]

General **Delbridge**. No, sir, he has not been to Fort Jackson yet.

Senator **Thurmond**. Tell him not to forget it. [Laughter.]

General **Delbridge**. I understand that, Mr. Chairman.

Senator **Thurmond**. I am very interested in it.

General **Delbridge**. I know you are, sir.

Senator **Thurmond**. Where will the people come from to man that 17th Division, and you might provide, for the record, the reduction in personnel by installation that will be necessary to man this new division.

General **Delbridge**. We will do that, sir. As you know, the size of this division is estimated at 10,000 people. There is no request from the Army to increase its total size. We will still operate from a 780,000 strength. There will be a push around, if you will, within the Army structure to staff this, and that is being addressed at the present time.

[The information follows.]

Manning the 17th Division

The addition of a 17th active division is one of a set of initiatives the Army has programed based upon a redistribution of manpower Army-wide and a minor increase (+800) in active end strength. The new division will eventually be organized as a 10,000 soldier light infantry division but the start up fiscal year 1985 size will be only 1,300 soldiers. Other major initiatives for fiscal year 1985 include conversion of the 7th Infantry Division at Fort Ord, CA to the 10,000 soldier light division design, refinement in the design of the heavy (armored and mechanized infantry) divisions, reduction in the size of nontactical units Army-wide, addition of a new ranger battalion, and shifting to Corps level certain units to enhance flexibility in augmenting employed divisions. The detailed changes in personnel by installation have not been determined and will depend on decisions resulting from on-going environmental impact and stationing analyses.

General **Delbridge**. We do not know where those people will come from, but we anticipate no great relocation of people. We figure that that will essentially be taken out of the structure in very small parts.

IMPACT OF LIGHT DIVISION

Senator **Thurmond**. Have you studied what the construction impact will be of this light division next year?

General **Delbridge**. We expect, when the locations are determined, that will determine what the facilities requirements are. I will tell you this, Mr. Chairman, since we are operating from a fixed size Army, the things that would be built for this organization, the new light division, the preponderance of them are facilities we already need in our backlog to address our needs.

We do not propose to take soldiers out of newly completed barracks and assign them to a location that would have a requirement for new barracks. We will make maximum use of what we have on the ground now in facilities and to minimize any facilities impact to hold the cost down.

Senator **THURMOND**. You might provide, for the record, a listing of the construction projects by installation that will be needed by the light division next year.

General **DELBRIDGE**. That will take some time, probably not until next summer, but we can certainly do that, Mr. Chairman.

[The information follows.]

LISTING OF FISCAL YEAR 1986 PROJECTS

Since a stationing decision is not possible until the provisions of the National Environmental Act are met, a listing of projects for fiscal year 1986 will not be made until after the 29 August 1984 filing of the Environmental Impact Statement.

ARMY OF EXCELLENCE

Senator **THURMOND**. The Army is working on a major, comprehensive study, I believe, to completely restructure the Army, called the Army of Excellence. Is that correct?

General **DELBRIDGE**. That is correct, sir.

Senator **THURMOND**. When will the decision be made with regard to the implementation of the Army of Excellence study, and when will the basing and construction impacts be known?

General **DELBRIDGE**. Major portions of that have already been decided, Mr. Chairman. That is not what I would call a major initiative or a major change. It is a modification or a modernization, if you will, of the existing facilities. It involves some reductions in our heavy division structure.

The heavy infantry division, the mechanized division, and the armored division would be reduced some 2,000 or 3,000 spaces, and that may be some of the places where the people would come from that would go into the light division.

COMPETITIVE BIDDING PROCESS

Senator **THURMOND**. I have a couple of questions on competition that I would like to ask you.

General **DELBRIDGE**. Yes, sir.

Senator **THURMOND**. This committee has long placed emphasis on the fact that construction projects are best executed through the competitive bidding process. The competitive bidding process insures that the taxpayers get the most construction for their dollar. In the construction there are very, very few occasions competitive bidding cannot be used.

The situation at Fort Irwin in California has been brought to my attention where the Army did not use competition, but instead negotiated a supplemental agreement with an existing contractor that may well have cost the taxpayers over $1 million. Would you summarize the Fort Irwin case that I have reference to?

General **Delbridge**. You are absolutely right. I think I would take issue with the full million dollars, Mr. Chairman, which has to be assumed. In essence, you are correct, we did negotiate that contract and it was because we had a disconnect, a communications difficulty between two districts.

In trying to economize and follow the efficiency standards out in the West, knowing this well because that used to be my engineering division, we consolidated all of our engineering in the Sacramento district, but we left constuction execution in that area with the Los Angeles district.

That is how it was organized, but we had a disconnect out there between the districts in communication such that the first project, since they were a year apart, was let on a specific piece of ground. Not knowing, the second contract was planned, and they were getting ready to advertise that contract when they found that the first contractor had already mobilized on the site.

There was inadequate coordination on the site, and consequently, instead of advertising, it was deemed that in the best interest of saving the funds and a potential claim from the contractor, we would negotiate that second contract with the first one, so that we wouldn't have two people fighting over the same ground.

The million dollars that you described comes out of the fact that as we look at the cost, it came in at about 100 percent of the program amount. If we assume that we would have had 80 percent in a good bidding climate, we would get a million dollars. We had many projects similar to that that came in at about 98 or 99 percent. Something less than a million dollars, perhaps, but something that we paid extra for in going this negotiated route, we believe.

GAO FACT SHEET

Senator **Thurmond**. I asked the GAO to look into this situation, and they have provided us with a synopsis of the case, together with several questions. I will insert that factsheet and questions into the record at this point, and ask you to respond to the questions.

General **Delbridge**. We will do that, Mr. Chairman.

[The information follows:]

GAO Fact Sheet on Supplemental Agreement at Fort Irwin

Senator Thurmond. General Delbridge, according to the GAO fact sheet, the original plan for the construction of the "barracks complex" had all but two (2) of the buildings planned for construction in FY 1982. The remaining two were planned as follows; an administration building (identical to one planned for FY 82) planned for FY83 and a dining facility planned for FY 84. The dining facility was later changed to FY 1983 by the Construction Requirement Review Committee so the entire complex would be complete at the same time. Why was a dining facility originally planned for FY 84 when it was intended to serve a "barracks complex" to be opened much earlier? When the Construction Requirement Review Committee met in late 1980 to approve the dining facility for FY 83, was any consideration given to the construction impacts and costs of having more than one contractor working in the same general area at the same time? If no consideration, why was this overlooked? Was it possible to have planned the work so that more than one contractor could work at the site without added costs?

General Delbridge. The original programming of the dining facility was accomplished by the Major Command (MACOM) within the dollar constraints given to them for the FY83 and FY84 program years. The Construction Requirements Review Committee (CRRC) reviews project justification, which in the case of the dining facility, was received when the FY84 program was being formulated in the programming cycle. At the same time, the FY83 program was in the budget cycle; therefore the dining facility project was moved forward to allow completion of the dining facility at the same time as the other facilities. The earlier decision by the MACOM,in meeting the dollar constraints for FY83, considered they would have temporary facilities to solve their feeding problem and felt the barracks would take much longer to construct than the dining facility, so that both facilities would be ready in the same timeframe. The programming personnel and the CRRC were primarily involved with reviewing operational needs and project justification and therefore did not consider potential construction management problems such as the impacts of having more than one contractor working in the same area. The Government would have incurred additional costs even if the work had been planned for more than one contractor to be working concurrently in the same general area. Our experience has been that restrictions on work area will cause bids to be higher along with additional costs due to interference claims as a result of construction operations.

Senator Thurmond. General Delbridge, why did the Army contract for two identical administration buildings in the complex in FY 1982 and FY 1983 when both contracts were to be completed in 1984? How much did the Army pay for each of these buildings, and what is the reason for variance? Would it not be more economical to contract for the buildings together? Explain.

General Delbridge. Two administration buildings, one 5-company and one 3-company, were programmed in FY 1982 and a contract was awarded in that fiscal year without knowledge that a similar 5-company building programmed for FY 1983 would be authorized by Congress in FY 1983. The FY 1983 building was authorized and awarded in FY 1983.

The current working estimate for the two FY 1982 buildings is $3,255,000. A breakout by buildings would only be supposition. The current working estimate for the FY 1983 building is $2,228,000. Since the projects are not identical, only a hypothetical comparison can be drawn: The FY 82 project cost averages $407,000 per company; the FY 83 project cost averages $446,000 per company. The variance can be attributed to escalation. Contracting for all three buildings with the same construction contractor is more economical because of the short construction contract times and the limited amount of work space on the congested site.

Senator Thurmond. General Delbridge, beginning in 1981, monthly meetings were held at Ft. Irwin to review progress of ongoing and planned construction. Why did it take until December 1982 to discover the potential difficulties of having more than one contractor working at the construction site?

General Delbridge. This delay was due to a breakdown in communications between the engineering organization in our Sacramento District and the construction organization in our Los Angeles District. These communication problems have now been solved.

Senator Thurmond. General Delbridge, why didn't the Army write Metric's contract to exclude the area which was needed for the dining facility and administration building?

General Delbridge. Metric's contract was not annotated to show the follow-on work because the designers were unaware that the contractor would be permitted to mobilize in these areas. The construction personnel were not aware of the timing of the future admin and dining facilities, so they permitted the contractor to mobilize in these areas. Again, this was the result of the breakdown in communication between the engineering and construction elements. Specific guidance is being issued to all field offices to strengthen the engineering and construction interface.

Senator Thurmond. General Delbridge, why didn't the Army discuss with the contractor at the preconstruction conference, the possibility of having two separate contractors working in such close proximity? For example, why didn't the Army recommend that Metric's storage yard be at a different location to accommodate subsequent construction?

General Delbridge. This answer ties back to the above question and answer. Due to the breakdown in communication, the conflict was not known at that time.

Senator Thurmond. General Delbridge, wasn't the Army thus forced to negotiate the supplemental agreement because it failed to exercise appropriate safeguards in the award of the contract to Metric; i.e., if another contractor was brought onto the work site, there would be a cost impact from the resulting interference with Metrics "limits of construction" as well as the need for Metric to relocate its' storage yard? Explain.

General Delbridge. The Army was not "forced" to negotiate the supplemental agreement. The decision was made after a full and careful evaluation of the total situation, including the potential additional costs arising from claims by separate contractors from interferences and other facets, as well as providing separate utilities to two contractors. In no case does the Army prefer to use non-competitive procurement in lieu of competition. however, there are certain instances where the total overall evaluation indicates that for the greatest total benefit, non-competitive procurement is the preferable means of accomplishing the mission.

Senator Thurmond. General Delbridge, why couldn't alternative eating arrangements have been made for the soldiers housed in the barracks, and thus construction delayed a few months until Metric's work was far enough along to reduce or eliminate the interference? Explain.

General Delbridge. The answer as to alternative eating arrangements is one of command decision and priorities as opposed to engineering and construction practices. Because of the high command desire to have the Barracks and Dining Facility completed in the same timeframe, it must be assumed that present available dining facilities are either inadequate or too remote to adequately satisfy the increased requirements.

Senator Thurmond. General Delbridge, according to the GAO fact sheet, during FY 82 and 83 the average current working estimate for construction contracts that were competitively bid was approximately 75% of program amount. The supplemental agreement, which was not bid competitively, had a current working estimate that was 98% of program amount. As a general rule would you expect a competitively bid contract to be less that one which is negotiated? Explain.

General Delbridge. Yes, the contractors need for work will normally result in lower total cost for the project. In addition, the degree of competition in the area will have an effect on the contract price. Negotiated contracts do not reflect the pressures for lowest price which exist in competitive bid contracts. At the time we negotiated this supplemental agreement, similar projects that were bid competitively were coming in at the upper 90% compared to programmed amount. Therefore, even though we believe that we paid more for the negotiated award, we don't believe that the difference is as great as implied in the GAO report.

Senator Thurmond. General Delbridge, wouldn't the Government have realized a sizable savings if the construction of these two buildings had been competitively bid?

General Delbridge. If these two buildings had been included in the same program as the remainder of the facilities in the complex, it is undoubtedly likely that there would have been some savings. The exact extent of savings is undeterminable. The two portions of the complex were contracted more than a year apart, consequently increased costs over that period would have reduced the potential savings. In addition the potential costs of having more than one construction contractor working on a congested site made non-competitive procurement for the second portion more advantageous to the Government.

Senator Thurmond. General Delbridge, provide a list of negotiated supplemental agreements to advertised construction contracts over $1 million in FY 82 and FY 83.

General Delbridge. The Ft. Irwin contract was the only one. In FY 82 there were none and in FY 83 there was the Dining Facility and Administration Buildings at Ft. Irwin, California.

SITE CONFLICT IN PROJECT ENGINEERING

Senator THURMOND. General, you will concede that in this case, the Army was at fault in doing the engineering for the project. Couldn't the design engineers have resolved this site conflict if they had been more careful?

General DELBRIDGE. Yes, sir, they could. It was a lack of communication in the field, that is correct.

Senator THURMOND. You can't afford to just ignore mistakes that cost the taxpayers millions of dollars. Have you fixed responsibility for this faulty engineering and taken appropriate corrective action to include disciplinary action against responsible individuals?

General DELBRIDGE. It is very difficult to put the finger on a responsible individual, Mr. Chairman. We have pinpointed the cause of the difficulty. It is the first project in 2 years of literally hundreds of projects that has been executed in this manner that we had such a communications difficulty. We feel that that problem has been solved.

Senator THURMOND. General, who in the Army approved awarding this Fort Irwin project noncompetitively?

General DELBRIDGE. That is approved by the Director of Engineering and Construction here in Washington, Mr. Chairman. With projects over $100,000, it must come up to the Chief of Engineers Office, Department of the Army, and it was approved at that level.

[The information follows:]

SUPPLEMENTAL AGREEMENT AT FORT IRWIN, CA

Senator THURMOND. General Delbridge, do you think that Army procedures to control the approval of non-competitive construction awards is adequate?

General DELBRIDGE. Yes. The Army procedures are in accordance with the Defense Acquisition Regulation and the new Federal Acquisition Regulation. In the case of Corps of Engineers, non-competitive construction awards above a nominal threshold (currently $100,000) require approval at the Headquarters level which is 2 or 3 levels above the contracting officer.

Senator THURMOND. General Delbridge, would you object to the notification of Congress prior to the award of construction on a non-competitive basis?

General DELBRIDGE. Notification to Congress prior to award could hamper timely execution of the program. This data is, of course, furnished in the yearly report to Congress in accordance with the Military Codification Act of 1982. In FY 83, the Ft. Irwin contract was the only large supplemental agreement out of the hundreds of ongoing contacts administered by the Corps of Engineers. All other fiscal year 1983 MCA non-competitive awards were for contracts under the Small Business Act, country-to-country agreements, or Foreign Military Sales. In view of the limited use of non-competitive work in our multi-billion dollar military construction program prior notification of Congress does not appear warranted.

CHILD CARE

Senator THURMOND. Now I will ask you a few questions on child care. I have several other questions that I am going to ask you for the record. I am just going to ask you a few today.

I know that you have several child care centers in your construction request. What is the total backlog for child care construction, including the fiscal year 1985, and would you provide a list for the record?

General Delbridge. We will provide that, Mr. Chairman. We have 170 facilities that are backlogged through 1990, and I will supply that list specifically for you.

OPERATION OF CHILD CARE CENTERS

Senator Thurmond. Have you considered bringing in some third party to build and operate your child care centers?

General Delbridge. We have addressed that, Mr. Chairman, and we have found that is not, for a variety of reasons which we could submit for the record, an economical way to go. I think it best, perhaps, without a long discussion on that, we could provide that for the record.

[The information follows:]

The Army has programmed construction of 57 child care projects in fiscal year 1985 through 1989 ($110.3 million). Some projects include several child care facilities on multiple sites at the larger installations. The backlog of child care center construction is based on an Army-wide estimate of 127 additional facilities at various locations (some unspecified), none validated.

The Army Child Care Center Construction Program, FY 85-89, is as follows.

1985

PROJECT	COST ($000)
*Aberdeen Proving Ground, Maryland	1,700
Fort Richardson, Alaska	1,000
Fort Stewart, Georgia	3,200
Presideo San Francisco, California	2,200
Oakland Army Base, California	730
Fort Gordon, Georgia	2,000
TOTAL:	$10,830

1986-1989

Fort Carson, Colorado	2,531
Fort Drum, New York	670
Hanau, Germany	1,177
Bad Kreuznach, Germany	961
Hanau, Germany	1,208
Neu Ulm, Germany	1,300
Fort Monmouth, New Jersey	1,411
Redstone Arsenal, Alabama	1,463
Fort Greeley, Colorado	2,255
Fort Bliss, Texas	2,417
Wuerzburg, Germany	2,343
Leighton Barracks, Germany	2,480
Cooke Housing, Germany	864
Vilseck, Germany	691
Downs Barracks, Germany	1,700
Rheinberg, Germany	250
Germersheim Army Depot, Germany	540
Baumholder, Germany	424
Frankfurt, Germany	351
Frankfurt, Hoecht Housing, Germany	424
Seneca Army Depot, New York	2,100
Fort Meade, Maryland	2,322
Fort Sam Houston, Texas	2,628
Fort Sheridan, Illinois	1,067
Fort Leavenworth, Kansas	4,071
*Fort Sill, Oklahoma	4,920
Kennedy Housing, Germany	2,663
Peden Barracks, Germany	2,008
Hainerburg, Germany	1,036
Unspecified location, Germany	2,651
Amberg, Germany	972
Hohenfels, Germany	1,326
Grafenwoehr, Germany	2,100
Boeblingen, Germany	3,416

* Denotes Combined Child Care and Religious Education Facility.

Kalb Housing, Germany	3,500
Ederle, Germany	830
Camp Darby, Italy	1,256
Camp Carroll, Korea	1,258
Fort Buchanan, Puerto Rico	3,150
Fort Clayton, Panama Canal Zone	3,128
**Fort Lewis, Washington	9,612
Fort Ord, California	3,333
Fort Riley, Kansas	2,483
Fort Hamilton, New York	1,000
Fort Knox, Kentucky	3,010
Fort Lee, Virginia	1,044
Fort Rucker, Alabama	2,987
Blink Housing, Germany	1,956
Kelly Barracks, Germany	1,185
Warner Barracks, Germany	768
United States Military Academy, NY	240
TOTAL:	99,480
GRAND TOTAL:	$110,310

** Denotes a project of three child care center buildings at separate locations on the installation.

The Army has some concerns regarding the contracting of a third party to build and operate our child care centers. These concerns include:

- the ability to meet DOD-directed child care program and facility standards (the result of Congressional interest and a 1982 GAO report which faulted DOD for lack of minimum standards).

- fees charged to soldiers.

- the commitment to care for the number of infants and toddlers requiring full day child care. (About 40 percent of a respective Army child care center's capacity is needed for this group.)

- flexibility to respond to unique operational hours.

- the commitment to provide quality developmental care to the children entrusted in their care.

- the ability to provide consistent levels of service Army-wide.

However, the Army is amenable to conducting a follow-up study to the December 1981 study for the Army by Boone, Young & Associates which developed economic models for joint private-public construction and operation of child care centers to government specifications. Additionally, Commercial Activities (CA) Studies, which include child care centers, are currently underway at several Army installations.

RATES IN CHILD CARE CENTERS

Senator **Thurmond**. How much cheaper are the rates in your child care centers than in the commercial market?

General **Delbridge**. I would have to break out into two categories. First of all, for the infants, which run, I believe from 6 weeks to 2 years, is one category, and then from 2 years on up. In the 2 years on up category for children, our rates are 20 percent cheaper. In the case of infants, we are almost 50 percent cheaper than what you would find in the commercial market.

Senator **Thurmond**. I have to go to another meeting in just a few minutes. Without objection, I will take another few minutes to ask a few more questions.

General **Delbridge**. Yes, sir.

Senator **Thurmond**. On school construction, for the first time, you are proposing to spend construction funds on section VI schools at Army installations. Why?

General **Delbridge**. Sir, over the past years, adequate funds have not been programmed for maintenance and construction of these facilities. These schools are inadequate for today's student population. They have been authorized to be built at installations essentially where State or local entities could not or would not build facilities to handle our student population. Only then were these schools built.

Senator **Thurmond**. Would the Army support transferring these section VI schools to the local school district if the school construction could be completed, and the local school district would agree to take them over?

General **Delbridge**. I don't think that the Army would have any objection to that, Mr. Chairman, but, ostensibly, the only reason we would have this section VI projects would be because the rules of the games are that we could not get schools operated or run through the local entity, State, or local.

Senator **Thurmond**. Who will be the construction agent in the proposed school construction?

General **Delbridge**. Probably the Army Corps of Engineers, Mr. Chairman.

SAVINGS PROJECTS

Senator **Thurmond**. I have a few questions on savings projects. For the last 2 years, we have authorized certain projects to be accomplished with the construction savings. Would you list these projects and indicate the status of each one, for the record?

General **Delbridge**. We can do that for the record, Mr. Chairman, I will tell you that all of the fiscal year 1983 projects have been awarded and all of the fiscal year 1984 projects will be awarded in the fiscal year.

Senator **Thurmond**. You will be able to put all of these projects under contract?

General **Delbridge**. Yes, sir, we will.

[The information follows:]

FY 1983 Savings Projects

	b. Design Complete	Bids Not Yet Opened		Current Estimated Cost ($000)
PN	Description/Location	Sched Bid Open	Sch Const Awd	
166	Brigade Headquarters Ft Huachuca, AZ	25 Apr 84	30 May 84	1,516
137	Barracks Modernization Ft Irwin, CA	24 Apr 84	May 84	7,700
166	Child Care Center Ft Devens, MA	25 Apr 84	Jul 84	3,000
146	Pulse Power Center Ft Monmouth, NJ	4 Sep 84	30 Sep 84	9,700
56	Shelter Handling Facility Tobyhanna Army Depot	4 May 84	Jun 84	8,181
468	Multipurpose Training Ranges Ft Hood, TX	3 May 84	May 84	3,513
346	Hangar Addition Ft Lewis, WA	17 Apr 84	May 84	1,850
184	Operations Building Ft Carson, CO	1 Jun 84	15 Jun 84	1,748
319	Electrical Substation Ft Riley, KS	11 Apr 84	30 Apr 84	1,279

c. Bids Opened

PN	Location/Description	Bid Open Date	Forecast Award	Current Estimated Cost($000)
307	Medical Research Lab Aberdeen P.G., MD	29 Mar 84	30 Apr 84	3,303
103	Education Center Ft Jackson, SC	27 Mar 84	16 Apr 84	4,000
265	Trainee Barracks Ft Sill, OK	5 Apr 84	30 Apr 84	20,741

Project Number	Description/Location	Construction Award Date	Constr % Comp	Current Estimated Cost($000)
328	Health Clinic, Ft. Benning, GA	12 Sep 83	41	836
343	Barracks, Ft. Benning, GA	2 Sep 83	17	8,127
389	Post Office Ft. Benning, GA	12 Sep 83	35	202
121	Training Facility Ft. Gordon, GA	28 Jun 83	20	7,239
52	Community Ctr Aliamano, HI	14 Sep 83	12	4,100
253	Barracks, Aberdeen P.G., MD	26 Jul 83	26	17,200
52	Headquarters Facility Ft. McPherson, GA	16 Sep 83	2	36,745
44	Insulation of Buildings Ft. Drum, NY	24 Jun 83	80	1,450
59	Division Headquarters Ft. Hood, TX	26 Sep 83	22	10,952
126	Barracks Ft Sam Houston, TX	26 Sep 83	11	18,585
131	Dining Facility Modernization Ft Sam Houston, TX	15 Sep 83	32	784
135	Air Conditioning Ft Sam Houston, TX	1 Jul 83	35	2,000

FY 1984 Savings Projects

a. Under Design

PN	Description/Location	Forecast Constr Award Date	% Design Comp	Current Estimated Cost($000)
252	Classrooms Ft Rucker, AL	28 Sep 84	60	1,937
60	Physical Fitness Center Ft Hunter Liggett, GA	1 Jul 84	95	1,000
97	Bridge Repair Rock Island, IL	24 Jun 83	95	4,140
102	Barracks Ft Ben Harrison, IN	9 Aug 84	60	5,666

254	Trainee Barracks Aberdeen P.G., MD	1 Aug 84	40	9,850
51	Laboratory Watervliet Arsenal, NY	30 Sep 84	55	2,500
2	Physical Fitness Center Carlisle Barracks, PA	1 Jun 84	95	1,500
160	Trainee Barracks Ft Jackson, SC	30 Sep 84	60	22,914
154	Chapel Child Care Center Ft Jackson, SC	30 Sep 84	90	6,340
389	Infantry Remote Target Ranges Ft Bliss, TX	1 Aug 84	80	4,452
344	Physical Fitness Training Center Ft Bliss, TX	3 Sep 84	70	2,736
349	Instrument Landing System Ft Lewis, WA	21 Sep 84	35	870
129	Electrical Distribution Ctr Ft Monmouth, N.J.	30 Sep 84	40	2,500
456	Bulk Fuel Storage Facility Ft Hood, TX	10 Aug 84	90	4,897
320	Sewage Treatment & Water Upgrade Ft Riley, KS	3 Aug 84	90	5,644

AUTHORIZING SAVINGS PROJECTS

Senator **Thurmond**. What is your position with regard to the procedure we have used for the past 2 years in authorizing savings projects?

General **Delbridge**. We think that process is working very well, Mr. Chairman. We think that that provides flexibility.

Senator **Thurmond**. It is something new that we thought we ought to try.

General **Delbridge**. Yes, sir, and we have been most appreciative of that process.

Senator **Thurmond**. What has been your recent experience with regard to bids? Are they still coming in well under the authorized amounts? Would you provide the necessary details for the record?

General **Delbridge**. We can give the specific details. We think that we can detect now that the bids are creeping up ever closer to our programmed amount. We have tried to reduce our current working estimates to get as close as we can to that. At the present time, we have in hand about $79 million in savings. As we look through the rest of the year, I would say, conservatively, we anticipate about $29 million more for a total of about $108 million, and this could go up depending upon the bidding climate.

[The information follows:]

Army MCA Funded Contracts

As of 9 March 1984, the Army had opened bids on 66 fiscal year MCA funded contracts with a total program amount of $264.6 million. The current working estimate for those contracts, based upon the low bids, represented $183.2 million or 69.2 percent of the program amount.

ADDITIONAL SAVINGS IN FISCAL YEAR 1984 PROGRAM

Senator **Thurmond**. Based on your current funding status, you anticipate that you may generate additional savings as the fiscal year 1984 program is executed?

General **Delbridge**. Yes, sir, that is correct.

Senator **Thurmond**. If so, by how much?

General **Delbridge**. Right now, Mr. Chairman, conservatively, $29 or $30 million.

Senator **Thurmond**. I just have two more questions and I am going to have to leave.

NONEXCESS REAL PROPERTY

General, I assume you are familiar with section 807 of last year's Military Construction Authorization Act regarding the sale and replacement of nonexcess real property.

General **Delbridge**. Yes, sir.

SECTION 807 SUPPORT

Senator **Thurmond**. I note that your request for fiscal year 1985 does not propose any transactions under section 807. Do you support section 807?

General **Delbridge**. Yes, sir, we do, Mr. Chairman. We feel that the 2-year limitation on the account perhaps should be eliminated, but we do support section 807.

Senator **Thurmond**. Do you have some transactions that the committee might consider in the fiscal year 1985 bill, and would you furnish specific proposals, if possible?

General **Delbridge**. We will furnish the specific proposals, Mr. Chairman. We have under development a transaction which proposes the sale of Arlington Hall Station, and replacement of facilities for the Headquarters for Intelligence Security Command to be built at Fort Belvoir, VA. We will provide the additional details on that for the record.

[The information follows:]

ARLINGTON HALL STATION

Since the testimony was given, the transaction for the sale of Arlington Hall Station has been withdrawn from consideration in fiscal year 1985. The project is under consideration for fiscal year 1986 as a Sale and Replacement candidate project.

Senator **Thurmond**. I have a good many more questions, but I will ask counsel to submit them for the record. I have to go to an emergency meeting, and I will ask the distinguished chairman of the Appropriations Subcommittee if you will take over.

Senator **Mattingly**. When we have finished today, the balance of the questions will be for the record, and if you would reply to them.

Senator Bingaman?

Senator **Bingaman**. Thank you, Mr. Chairman.

Let me just ask very basic questions, since I am new to this subcommittee, and I don't really know exactly the procedures you follow.

PERCENT INCREASE FOR CONSTRUCTION IN FISCAL YEAR 1985

What is the percent of increase that you are requesting in military construction this year?

General **Delbridge**. It is 52 percent, Senator.

Senator **Bingaman**. Why is it that this year such a large percent of increase is being requested in that area? As I gather, the President, before this latest compromise that we read about in the paper, was requesting about a 13-percent overall increase. Why would he want 52 percent in this area?

General **Delbridge**. Senator Bingaman, the reason is that in our program, in essence, we are addressing not just a standard increase along the lines that you mentioned about the President mentioning 13 percent, or any fixed amount. This addresses a specific hurt in the Army, and it is a hurt that addresses people directly.

Over the past four decades, the Army simply has not been able to take care of its facilities. We have a physical plant that is absolutely falling down around our ears. You read in the paper what is happening in the public works with States, well it is like that in spades in the Army.

The average age of our facilities is 37 years old. We have 80,000 soldiers living in World War II facilities, the World War II barracks that were designed to last 5 to 7 years, built back in the early 1940s during World War II, and they are still living there.

This program is designed to get our soldiers out of the wood by 1990. The Congress has supported this in the past, and has encouraged us to put 15,000 soldiers into permanent barracks each year. We do that with the 1985 program.

Senator **Bingaman**. Let me just focus my concern. The budget that we are talking about is, as I understand, the fourth year of a 5-year military buildup.

General **Delbridge**. That is right.

Senator **Bingaman**. Has there been a consistent pattern of requesting these very substantially larger increases in military construction in the previous 3 years, or is this a need that we have just realized this year for the first time?

General **Delbridge**. No, sir, it is not. I will tell you that over the past 3 years, the program has increased, I would say, with the urging and support of Congress, who are well familiar with the conditions. I would say that the Army, with the funding situation that has existed over the past 3 years, and the success on the Hill that it has received, yes, this year, we wish to take this portion of the Army's pie, if you will, and cut that piece of it as it pertains to taking care of our soldiers and families somewhat larger.

The Army, for example, has declared that 1984 is the year of the Army family. It is an emphasis that we have, and I will tell you that it is paying dividends in many respects. It is not just facilities for the sake of facilities.

PERCENTAGE INCREASES

Senator **Bingaman**. There have been requests of over 50 percent increase in previous years?

General **Delbridge**. No, sir.

Senator **Bingaman**. What was the percentage increase last year that was requested?

Mr. **Carton**. Sir, we came in and asked for $1.350 billion, as I recall, and we eventually wound up with a funding of $1.1 billion. That was an increase of about 20 percent over the prior year.

Senator **Bingaman**. You requested an increase of about 20 percent?

Mr. **Carton**. Yes, sir.

Senator **Bingaman**. I am trying to focus on why, all of a sudden, we need a 50-percent increase in construction, if we needed a 20-percent increase in construction last year and, I assume, the previous years. Is it just because I happened to come on the committee that you need this much additional money?

General **Delbridge**. No, sir. As you well know, I would say that there are three forums that we go through. The Army must agree, first of all, as they reorder their priorities on an annual basis, where the dollars should go. The Army has addressed the significant increase this year which would go into this particular area.

It is driven, not only by taking care of soldiers and their families, but there are facilities tailed on the modernization efforts that are ongoing. We talk about things that are happening in the weapons arena: the M-1 tank, the Bradley fighting vehicle, the changes in technology that require facilities to go with them.

We can't fire on our existing ranges any more, for example, with the M-1 tank. The M-1 tank now, in order to train properly, has to move at about 35 miles an hour and fire on the go. It has to have heat seeking. It has to be able to have an increased range. Our other ranges are more static. We stand statically and then we fire at some fixed and moving targets. We need the capability to move at least a platoon down simultaneously and fire at longer ranges.

The technology is driving these increases, too. It is kind of coming to fruition at the same time. It is not just a decision to all of a sudden do this, it is a fielding of the weapon systems as well as taking care of our soldiers.

HOSPITAL AT FORT LEWIS

Senator BINGAMAN. Let me ask a couple of specific questions. I notice in table 1, in your testimony, the biggest single item of increase, as I see it, and percentage of the total figure that you are asking for is 22 percent. This is the large hospital at Fort Lewis, and one other facility primarily?

General DELBRIDGE. Yes, sir, it is principally the large hospital at Fort Lewis. Of course, as you well know, last year before the Congress, we asked for and the Congress supported incremental funding, but the authorization would take place in 1 year. We have requested full authorization for the Madigan Hospital at $353 million, which drives that up. The other hospital in there is phase 2 of the Tripler Army Hospital at $115 million. At Madigan, we are only asking for $11.2 million in appropriation for the first year.

Senator BINGAMAN. You are asking us to authorize the full construction this year.

General DELBRIDGE. That is correct, Senator.

Senator BINGAMAN. The construction will take place over how many years?

General DELBRIDGE. It is presently planned over 5 years, sir.

Senator BINGAMAN. Five years?

General DELBRIDGE. Yes, sir.

MILITARY CONSTRUCTION IN HONDURAS

Senator BINGAMAN. Let me just ask, and perhaps Senator Sasser will have more questions on this. One of the issues that we discussed yesterday in the subcommittee was the military construction in Honduras. What criteria do you use to determine which construction activities go into the military construction budget, and which can be done through other funds? I am unclear as to that distinction, and I wondered if it is written down somewhere so that I could get that.

General DELBRIDGE. Yes, sir, there are criteria. The funds for the projects that you are referring to, I believe, in Honduras, would come under the operational and maintenance area as they are projects built as part of training exercises versus the other category which is military construction.

The training exercises. Invariably they are temporary in nature and deal directly with the training exercise involved. The second category has to do with military construction, and it is the permanent type facilities that we build with normally a minimum 25- to 50-year life. We are talking there of projects that would come before the Military Construction Committee. The operations and maintenance funds come before the Defense Subcommittees. The last category is the Foreign Military Sales Account, those which are handled through the State Department.

TRAINING FACILITIES AUTHORIZATION

Senator **Bingaman**. Let me just ask if there is any specific definition. It strikes me that you could have facilities constructed for training purposes, but the training and the exercises that involved the training could continue for decades. Under those circumstances, would it be your position that funds needed to construct the facilities to carry on training for a decade would still not require any kind of authorization by Congress for military construction?

General **Delbridge**. If it were anything that would last or be used for that length of time, Senator Bingaman, it would have to be strictly in the form of appropriated funds. The exercise facilities that are funded in the O&M budget are considered incidental to the training which is achieved. In essence, they are temporary facilities which you can walk away from.

Having been in all areas of the engineer structure, I can say that we have done things like that here in the United States and elsewhere. We have built a number of C–130 assault strips that essentially are used as training opportunities for our soldiers and to facilitate the exercises themselves. Unfortunately, we are pretty well precluded from doing much of that in the United States at the present time, but when the strip is built, it does have a limited residual capability, by that I mean, C–130's come in and land on it, and it is still a C–130 strip until it grows over. We do not usually try in the course of the exercise, to restore the ground to the original character. That is the only residual that I would say exists in those particular cases.

Senator **Bingaman**. Could I just mention two things, Mr. Chairman, and then my time is up. These are not really questions, but I would like, if there is anything you have in the way of regulations or guidelines as to what you include in military construction and what you can do without authorization for military construction, I would like to see that.

General **Delbridge**. We certainly will provide that to you, Senator Bingaman.

[The information requested by Senator Bingaman can be found on p. 419.]

COST OF STRATEGIC FACILITIES

Senator **Bingaman**. Also, Mr. Chairman, if it is possible, you mentioned, General, that there would be fairly large sums spent on strategic facilities which you could brief us on in a closed session. I would like to have that opportunity. At some point before we are called upon to vote on any of this, I would like to know what those strategic facilities are.

General **Delbridge**. It is not a substantial sum, Senator Bingaman.

Senator **Warner**. What provisions have been made for that, Mr. Smith?

Mr. **Smith**. Mr. Chairman, at this point, I think Chairman Thurmond had in mind that if there are strategic issues that you wished to be brought up, we could do it today. If you would care to, at the end of the questioning, we can clear the room and get to those issues. Or, if you want to do it at a different time, we can make arrangements to get you that information. The chairman has scheduled these hearings jointly for the remainder of this week.

Senator **Bingaman**. I don't really care when we do it, I can stay around longer. I don't have specific questions, but I would like to have a general idea of where we are spending money on strategic facilities, I am just not familiar with that.

Senator **Warner**. The gentleman's point is well taken. My suggestion would be that the two chairmen, acting on this particular bill, would give notice to all members of a mutually convenient time and place for such a meeting to take place. It might well be that other members who are not in attendance today would have an interest.

Senator **Bingaman**. Thank you very much.

Senator **Warner**. Thank you, Senator Bingaman.

Senator Sasser.

Senator **Sasser**. Thank you, Mr. Chairman.

PALMEROLA FACILITIES

General Delbridge, you indicated that these facilities at Palmerola to house the troop component there, I think is the way it is described, would be constructed of relocatable type buildings.

General **Delbridge**. Yes, sir.

Senator **Sasser**. These, in essence, would be the Central American tropical hut or house.

General **Delbridge**. As I understand it, sir, they might be similar.

Senator **Sasser**. These are similar in nature to the SEA hut, or the Southeast Asia hut, that they used in Vietnam. If I am not mistaken, we constructed SEA huts at Trujillo, and Central American tropical huts at San Lorenzo. What is the difference?

General **Delbridge**. I just had a note passed to me, Senator Sasser, that the MILCON project include a different type structure such as Port-A-Camp or stressed tension structures.

Major Mahoney from my shop will give you a little better rundown on the nature of that construction.

Major **Mahoney**. The construction that the Mobile district is designing right now for that particular project includes Port-A-Camp type facilities, modular, prefabricated—I don't want to use the term "trailer," but they are trailerlike facilities for housing and dining, and that sort of thing.

General **Delbridge**. Port-A-Camp is a commercial name, Senator.

Major **Mahoney**. The stress tension structure, an architectural fabric structure, which is essentially a steel skeleton with fabric stretched over for the aircraft hangar.

FABRIC-COVERED AIRCRAFT HANGAR

Senator **Sasser**. What would be the life expectancy of an aircraft hangar with the fabric over it?

General **Delbridge**. We are not quite sure, Senator. We think that it would have a number of years of capability. As a matter of fact, when I say that we are not quite sure, we are testing it now. The Congress directed last year that we consider that for construction. As a matter of fact, we are testing it in Korea, the United States, and Germany. They have not been built yet, but they are going under contract at the present time.

Senator **Sasser**. The troops themselves at Palmerola, in this request, I assume, will be housed in the Central American tropical hut, or so-called CAT House, I think is the slang word for it.

General **Delbridge**. That type facility, but from what Major Mahoney tells me, It will be the Port-A-Camp, which is a prefabricated hut sort of thing.

CAT HOUSES

Senator **Sasser**. We have constructed CAT houses—I shouldn't use that term. The Central American tropical huts, called CAT houses, as you know.

General **Delbridge**. Yes, sir. [Laughter.]

Senator **Sasser**. We have constructed these Central American tropical huts at San Lorenzo and Palmerola already, and this was done out of O&M funds. I am wondering why you are now requesting military construction funds to build these Central American tropical huts, which as alleged are temporary, when we built them out of O&M funds before.

General **Delbridge**. The principal reason in this case, Senator Sasser, is that this is not a training exercise. There is a different mission which has more permanency to it. Consequently, we feel that it is appropriate that it should come before Congress.

Senator **Sasser**. General Delbridge, when we are looking at a mission from the point of view of having an air of permanence about it, we find that these Central American tropical huts in that area of the world are compatible with housing our troops in a permanent or semipermanent fashion. Is that a fair assessment?

General **Delbridge**. I would say, based on the mission, and the fact that the number of months that people would perhaps stay there, there is a degree more permanency involved in what we propose than that.

Senator **Sasser**. I appreciate your candor and frankness, General, very much in this regard.

As you know, there is some contention as to whether or not some of these facilities there are temporary and a necessary part of the exercise, or whether or not these facilities being constructed there, given the climate in that area, et cetera, are not semi-permanent or quasi-permanent in nature.

I was told by some highly competent young engineering officers on my trip to Honduras—I want to compliment the Army on the quality of these young engineering officers. I walked the airstrip at Aguacate with a young engineering captain—I told Senator Mattingly the other day—a graduate of Georgia Tech, with a master's degree from MIT in civil engineering, and his battalion commander, also an engineering officer, first-rate officers who I think could construct anything anywhere.

They were very proud of this airstrip that they had built there, and they had done an excellent job. They rerouted a stream. They put in the concrete culverts, moved the size of a hill there, and that airstrip looked to me as if it was going to be there for a long time.

General, Senator Bingaman got into the question of the increase in the military construction budget this year. It is considerably above the 5-year average which had been projected at 30 percent.

OVERSEAS EXPENDITURES

Last year, you estimated that the fiscal year 1985 budget request would include a 42-percent increase overseas. What projects were added during budget reviews that increased the estimated overseas expenditures?

General **Delbridge**. This was in 1984?

Senator **Sasser**. Yes, it was my understanding as of last year of the projected fiscal year 1985 budget request.

General **Delbridge**. Let me ask Mr. Carton if he has a handle on that.

Mr. **Carton**. Actually, there has been a very small increase in the overseas request this year over last year. The actual budget, as it came through the screening process, put most of the increase in the United States.

ARMY PLANNING DESIGN FUND

Senator **Sasser**. What percent of the Army's planning and design fund will be for projects outside of the United States?

Mr. **Carton**. Sir, it is almost a direct proportion. As I recall, the projects outside of the United States were under a third this year, and the planning and design funds for that would be almost in direct proportion to the size of the budget. Normally, the majority of the planning and design funds are used for projects in the United States.

General **Delbridge**. We have about 17 percent of our total appropriation request listed for Germany and Greece. The remaining projects overseas are in the Far East, and I believe that is 8 percent, plus the miscellaneous things, and that makes up about the total amount that we have overseas, Senator Sasser.

OVERSEAS FAMILY HOUSING

Senator **Sasser**. General, last year, the Navy reported that the average costs for family housing overseas and in the United States were $45 per square foot. The three Army family housing projects listed in fiscal year 1985 come in at $54 per square foot, $58 per square foot, and $56 per square foot respectively.

We have a former Secretary of the Navy here, my distinguished colleague from Virginia, maybe I ought to ask him how the Navy does it so cheaply. But why does Army housing cost so much more than the Navy's?

General **Delbridge**. It shouldn't cost much more. In that regard, of course, Senator Sasser, what we do have, that is different, is that any place in the world or within the United States has a different cost factor that is based on how the bids come in at that respect in the particular area. That factor then is applied to the basic cost.

In my earlier presentation that I made to the committee, I pointed out that we try to stay abreast of what is happening in the bidding climate. For example, in fiscal year 1983, the factor that we had in Germany was 1.6 percent of what it would cost us to build, let's say, in Washington, DC. We reduced that in the 1985 program, because of the good bidding climate to 1.06. That, essentially, takes into consideration the variable geographic differences that you have.

The criteria that we design to is given to us by the Defense Department—the number of square feet for particular grades, and so forth. That pretty well addresses a project scope. I have the housing director that I could ask, but that about sums it up, Senator Sasser.

ARMY NAVY FAMILY HOUSING

Senator **Sasser**. I am looking here, General, at some figures for the Navy of $45 per square foot, and the Army as high as $58 per square foot, and it is almost a 20-percent increase in Army family housing over the Navy family housing.

General **Delbridge**. If you have the locations, Senator Sasser, I might be able to better address it. In the case of Sierra Army Depot, for example, the cost factor is 1.3. If we are comparing against housing built here in Washington, DC, it would be 30 percent higher in Sierra Army Depot. In the case of Germany, it would be 1.06 times as much.

Senator **Sasser**. Is that what you had in your slides?

General **Delbridge**. Yes, sir, that is what I had on my slides when I pointed it out. The point is, as Lt. Col. Harvey pointed out to me, we start with the base, the same as the Navy, and I am sure that depending upon where they have located some of their housing, it should have the same increases in accordance with the geographic factors.

Senator **Sasser**. My time is up, Mr. Chairman, but if I could ask one more very quick question.

BARRACKS COST INSIDE UNITED STATES

General, last year, it was reported to the committee that the average cost of barracks inside the United States was $58.19 cents per square foot. This year, barracks are requested for Fort Bragg at $48.20 per square foot, Fort Polk for $53.10 per square foot, and Fort Benning at $45.50.

For the purpose of the record here today, would you tell me what accounts for the lower cost of these facilities compared to the average cost overall. Is that what we have been addressing here just a moment ago?

General **Delbridge**. Yes, sir, that is, and let me give you a copy of the slide I showed, Senator Sasser. This will give you an idea of the difference in area cost factors that we apply and must apply based on things like the cost of materials and the cost of doing business, which is reflected in the bid prices which have been received in those geographic areas. All of the services essentially apply these, so you are bound to get different factors in that regard.

There is one other factor that does play a role. We are dealing with a standardized design. The Army, Navy, and Air Force have signed up for a specific design, and that is the same design orchestrated by OSD. If you are building in some areas that have different soil conditions, or different problems on foundations, you will find a difference there that will be translated into a difference in cost. The thing that I think causes the greatest one, however, is the area cost factor.

Senator SASSER. Thank you, General.

Thank you very much, Mr. Chairman.

Senator MATTINGLY. Senator Warner.

Senator WARNER. General, I note with interest that you served in World War II. You and the Chairman of the Joint Chiefs must be among the last.

General DELBRIDGE. It was after World War II, Mr. Chairman. I served in Berlin in 1946, and most of the shooting was over by that time.

Senator WARNER. We were running a little calculation in the Senate the other day in determining the delegation that might attend the 40th reunion of D-Day, and there are less than a dozen of us who served in World War II in the U.S. Senate, which leads me to my first question.

TERRORISM

In the face of changing times, and with the rise in terrorism, both abroad and at home, I did quite a bit of research in connection with the analysis of the problems in Beirut, and that led me to what the Army is doing now in its training.

I would like you to give a brief summary today, and then augment for the record, on the precautions that you are taking in your design and construction programs against possible terrorist activities, both here and abroad.

General DELBRIDGE. We are doing a number of things. Let me break it down into two parts, Mr. Chairman. We are talking now in terms of protection of things and protection of people.

In the protection of things, those critical materials or weapon systems that we are protecting, we have instituted a very comprehensive series of security features, some of which are classified and we can discuss them in a classified session. I will assure you that they are extremely redundant. They start with the intrusion detection systems for everything that surrounds the critical locations, and from that goes inside of the facilities themselves.

In the case of overseas installations, where we are talking about critical ammunition, special ammunition, there has been a special design that has been devised that not only includes all of the things I mentioned for the security of the item itself, but the ability to withstand any terrorist attack at that location, with people physically stationed there. The buildings that house the soldiers are not just buildings, but they are fighting positions.

[The information follows:]

SECURITY OF MILITARY CONSTRUCTION PROJECTS

For military construction projects in general, security is considered during the project development phase in a document called the PDB or Project Development Brochure. The PDB contains a checklist of all unusual design considerations that an installation may require. Security of the construction site, fencing, lighting and intrusion-detection systems are some of the items in this checklist. To help the designer or architect/engineer firm we have recently developed a technical manual (TM 5-853-1) titled "Designing for Security". This manual goes into more detail on how to design physical security into permanent facilities. My staff maintains close coordination with DCSPER's Law Enforcement Division so current security policy and equipment development can be integrated into our construction criteria.

Senator **WARNER**. You are assuring the committee and Members of the Senate that in your design today, you are factoring in all the knowledge that the Department of Defense possesses on this subject.

General **DELBRIDGE**. To the best of our ability at this time, Senator Warner, we are. There are some new things that are coming.

Senator **WARNER**. I don't want to get into too many details. When we looked at the situation in Beirut, there is the remaining question in the report of the ability of the man doing the construction to have available all the knowledge within the DOD that bears on those designs. I hope that you can assure the Senate that today that pipeline flows.

General **DELBRIDGE**. I can assure the Senate, in the case of appropriated fund construction, Senator Warner. There will always be the requirement, however, for the man on the spot to exercise prudent judgment.

Senator **WARNER**. I understand that.

General **DELBRIDGE**. Particularly in a case like the Beirut situation.

Senator **WARNER**. I understand that, but this is a growing problem and we are very conscious of it.

General Delbridges. Yes, sir.

GUARD AND RESERVE

Senator **WARNER**. Turning now to the Guard and Reserve, we just concluded a meeting of the full Senate Armed Services Committee at which time we established a target for this year's authorization bill. Without divulging that mark, it is considerably below the published request from the President. I think one of the areas in which there is going to be an accelerated movement in the years to come is toward the Guard and Reserve, and a greater reliance on the Guard and Reserve.

Given that increasing role, do you feel that this construction program, the one that you are submitting today, gives the proper emphasis on the Guard and Reserve, which I see well represented here today.

General **DELBRIDGE**. I would like to ask General Mott, who is the Deputy Chief of the Army Reserve to reply to that, and then perhaps General Dean as well.

General **MOTT**. Thank you, sir.

Sir, our program is ramped up for the next few years, and we have right now what we need, although 48 percent or there abouts of our Reserve Centers are inadequate, by that I mean storage, old buildings, leased buildings. We have what we need right now to provide a manageable ramp for our size organization to handle and to properly dispense the dollars that we have for construction purposes, for renovation purposes, and for building special items such as ranges and maintenace shops.

We feel that we have a good program for the next 5 years, sir.

Senator **Warner**. General Dean.

General **Dean**. I would say that our program is based on the structure that we are to acquire between now and 1990. There is the possibility of changes that might require additional funds. We have a 32 percent increase programmed between 1984 and 1985.

Senator **Warner**. There is a 32-percent increase between 1984 and 1985?

General **Dean**. Yes, sir.

Senator **Warner**. So both of you are satisfied with the program, is that correct?

General **Mott**. Yes, sir.

Senator **Warner**. Thank you very much.

General, I thank you very much.

I would not like to conclude the hearing without thanking the chairman for his courtesy, and adding a personal observation. This past year, Virginia has experienced a number of heated controversies into which have gone several members of your command. I want you to know that they have discharged themselves in a manner that is in the finest tradition of the U.S. Army. How they have handled themselves is beyond me, but they did it well.

General **Delbridge**. Thank you, Senator Warner.

Senator **Warner**. They were under intense cross-fire from the citizens and the politicians, but they never flinched.

General **Delbridge**. Thank you, Senator, and I will pass that on.

Senator **Mattingly**. Let me ask one more question before we recess.

AGUACATE

Senator Sasser mentioned to you about Aguacate in reference to the young officer down there from Georgia Tech, and MIT.

General **Delbridge**. Yes, sir.

Senator **Mattingly**. He had reference to the airstrip looking as if it were permanent. I think that was just pride in their workmanship, and it doesn't necessarily make a project permanent or temporary. Is that true?

General **Delbridge**. Exactly. That is exactly right, Senator Mattingly.

Senator **Mattingly**. Wouldn't an engineer, if he had built something, whether it was a temporary project or a permanent project, have pride in that project?

General **Delbridge**. I would not be surprised if they said that it would take a 747 because of the pride that they would have in the project.

Senator **Mattingly**. I would just like for the record to note that when we landed in the C–130, when it turns, it can dig a nice eight or 10-inch hole. If I am not mistaken, those runways are sufficient for approximately 25 or 30 landings.

General **Delbridge**. Yes, sir. It is based on the number of sorties and soil conditions. Based on what I understand of the conditions down there, they would take about 30 before they would have to get out and do some repair to it.

Senator **Mattingly**. They are what we refer to as a temporary strip?

General **Delbridge**. It is a temporary strip, yes, sir.

SUBMITTED QUESTIONS

Senator **Mattingly**. There are a number of questions submitted for the record. They will be inserted at this point in the record.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR MATTINGLY

GEORGIA

QUESTION: General Delbridge, the Army is requesting some $116 million for projects in Georgia. These requirements are at Fort Benning, Fort Gordon and Fort Stewart/Hunter Army Airfield. The projects appear to be rather straight-forward, but for the record would you please briefly highlight the programs at each location.

ANSWER: The projects in Georgia included in the fiscal year 1985 MCA program are as follows:

Fort Benning

Applied Instruction Building $11,000,000

(Construction of a training facility to support infantry fighting vehicle (IFV) automotive, turret, and weapons maintenance training and classroom gunnery instruction.)

Tactical Equipment Shop 6,700,000

(Construction of a tactical equipment shop to provide adequate maintenance facilities to maintain the 126 tracked and 172 wheeled vehicles of the 3d/7th Mech Bn of the 197th Infantry Brigade.)

Barracks 18,600,000

(Construction of a trainee barracks complex to replace badly deteriorated WWII structures.)

Company Administration and Supply (2) 1,350,000

(Construction of facilities is required to meet the facility needs of the 197th Infantry Brigade.)

Fort Gordon

General Instruction Building 6,500,000

(Construction of a signal general instruction building needed for the training of personnel on new communications equipment and 10 new systems.)

Dental Clinic 3,900,000

(Construct a 38 chair dental clinic to replace two WWII temporary buildings which are deficient and impede patient care.)

Child Care Center 2,000,000

(Construct a one-story child care center with a playground to replace facilities now dispersed in three separate buildings; two of which are WWII temporary buildings.)

Fort Stewart

Multi-Purpose Training Range 20,000,000

(The project is needed to provide adequate range facilities for the Infantry and Cavalry Fighting Vehicles and the M60A3 and M1 tanks, as well as antenna facility for Vanguard, a space surveillance operation.)

Tactical Equipment Shop 7,400,000

(Construction of a maintenance facility to provide adequate facilities to support the 328 vehicles assigned to the 92nd Engineer Battalion.)

Tactical Equipment Shops 16,500,000

(Construct four tactical equipment shops required to adequatly maintain 1,183 large and 138 small tactical vehicles in a readiness status.

Automated Data Processing Building 1,900,000

(Construct a permanent building to provide adequate administrative and automated data processing for the Military Information System Office (MISO).)

Barracks with Dining Facility 10,500,000

(Construct permanent barracks for 390 enlisted personnel with company administration and supply and dining facility. There are no existing adequate facilities to support the PATRIOT Battalion to be stationed at Fort Stewart due to Force Modernization).

Child Care Center 3,200,000

(Construct two child care facilities to provide adequate permanent child care service for 400 children of personnel assigned to Fort Stewart. Four separate WWII Mobilization Hospital Buildings are currently being used.)

Physical Fitness Training Center 5,300,000

(Construct a permanent physical fitness training center to support the 19,000 military personnel and their dependents and 20,000 personnel associated with the Army National Guard, Army Reserve and visiting Army units who train at Fort Stewart annually.

QUESTION: Senator Mattingly. Can you explain to the Committee the project at Fort Stewart for a $20 million Multi-Purpose Training Range?

ANSWER: General Delbridge. Each active division installation in CONUS and the Pacific is programmed to receive one Multi-Purpose Range Complex (MPRC), with planned construction starts staggered from FY84 to FY87. The first three MPRC's (at Forts Riley, Bliss and Hood) were approved in the FY84 Budget.

The Fort Stewart MPRC will be completed in FY87, prior to the 24th Division's receipt of the M1 tank. Current installation ranges cannot support the enhanced combat capabilities and increased training requirements of the M1, nor even adequately support the M60A3 tanks the Division currently possesses.

The MPRC was designed to meet the gunnery training tasks, conditions and standards of the M1, M60A3, Bradley Fighting Vehicle (BFV)--also programmed for Fort Stewart--and attack helicopter. It can accommodate exercises from the crew/squad level thru company/team. The new Remoted Target System (RETS) installed on the range features moving and stationary pop-up armor and infantry targets, automated scoring, thermal-cue silhouettes, and a full family of hostile fire, muzzle flash and target hit/kill accessaries. The targets will also be fitted with laser target interfaces, allowing inexpensive repetitive training with on-hand Multiple Integrated Laser Engagement System (MILES) equipment before transitioning to full-caliber live-fire gunnery.

Of the $20 million included in this project, only $14.9 million is allocated for the MPRC. $1.6 million is for a badly-needed upgrade of two existing tank ranges, which will continue to be used in conjunction with the MPRC. The remaining amount is for relocation of a VANGUARD antenna facility displaced by the MPRC, which was sited in the northern portion of the installation on the only suitable terrain for the new range.

Fort Stewart

Question. In last year's bill, we provided funding for new family housing at Fort Stewart. What is the status of this project?

Answer. The fiscal year 1984 project for family housing new construction was advertised on 20 March 1984. Award of this project is expected in July 1984.

Rapid Deployment Force Facility

QUESTION: One of the largest single line items in the Army's request is for $62 million for Rapid Deployment Force Facilities in Southwest Asia.

-- Please describe for the committee the extent of these facilities.

ANSWER: The requested facilities are austere, and are limited to those necessary to provide a complete minimum essential intermediate staging base capability for the Army force in the region. The bulk of the request is for potable water production, distribution and storage and for power production, distribution and associated fuel storage requirements, the primary purpose of which is to enable the production of potable water. In addition, storage facilities are requested to house consumables and other supplies necessary to sustain the force while at the staging base. The request also includes an equipment preparation facility for parachute assault rigging of selected units and equipment. No billeting facilites are requested. The soldiers would be dispersed in tent bivouac areas.

Question. One of the largest single line items in the Army's request is for $62 Million for Rapid Deployment Force facilities in Southwest Asia. Do they replace facilities at another location?

Answer. No, they do not replace the requirement for staging facilities at other locations in the region. Current planning envisions two staging bases in the region; [deleted] Oman and Ras Banas, Egypt. One [deleted] provides a deterrent to our possible adversary in Iran and to regional adversaries in the event of intraregional war on the Arabian Peninsula. Ras Banas, on the other hand, enhances our deterrent effort in Iran while giving us a power projection capability in the Horn of Africa. Furthermore, the combination of the two provides flexibility in the event that one or the other of the staging facilities is not available in a particular contingency.

Question. Will this request complete the Army's RDF facility needs in Southwest Asia.

Answer. Yes, if the funds requested are authorized and appropriated, the Army's intermediate staging needs for the current Five Year Defense Plan (FY 85-89) will have been met.

NORTHAG FACILITY AT RHEINBERG

QUESTION: Please tell the Committee what this project is all about.

ANSWER: A strategic national commitment was made in 1978, with (Deleted) in central Europe. In transition to war, NATO war planning requires both (Deleted) (Deleted) There is a logistical force in CENTAG to support wartime combat support missions; however, NORTHAG does not have the necessary logistic force structure. Currently, a small contingent of US Army logistical planners and support personnel are located at Reichel in Rheinberg. Their contributions to US wartime planning in NORTHAG have thus far been very significant. More support personnel are needed at Reichel to insure that US CONUS-based deploying forces in NORTHAG receive required ammunition, fuel, and other supplies in transition to a wartime posture. The purchase of this facility is necessary to station this support group. It offers a combination of administrative space for staff and troop unit headquarters, and a covered area that can be easily converted to storage (including prepositioned stocks) or maintenance facilities. Further, it is strategically located on major rail, and autobahn routes, and is near river routes of communication. Consequently, it is particularly desirable as a forward storage site.

QUESTION: Is it eligible for NATO funding, and if not, why?

ANSWER: The Army initiated action with NATO to obtain infrastructure eligibility and funding for the purchase of the Reichel complex. However, NATO (SACEUR) has concluded that the complex is not eligible for common funding nor does it appear that it could become eligible, because the requirement for a peacetime logistical planning group is a national responsibility.

QUESTION: What other locations have been reviewed which might meet the requirements?

ANSWER: Among those installations considered were the following: Somerset Barracks, Moenchengladbach Factory, Oberhausen Factory, Rheindahlen Factory, and the Reichel Complex in Rheinberg. All facilities considered, except Reichel, were in poor condition, were poorly located for wartime stationing, and provided little or no growth area beyond the limited space available with the facility.

QUESTION: From what I can gather, this project would place under one roof offices, maintenance facilities, dining halls, living quarters, and everything else associated with this organization. Do you believe this is a wise move in the event of attack?

ANSWER: The Reichel Facility is similar to many other installations in West Germany, in that everything associated with the small contingent proposed for this location is under one roof or in close proximity. Sufficient warning time is expected to permit relocation of the combat support units at Reichel. The Reichel complex is located approximately 245km. from the East German border which provides an additional buffer to permit displacement to field locations to support units deploying from CONUS.

Question. Two of the Army's newest weapon systems have required and continue to require new facilities. I speak of DIVAD and PATRIOT. Can you briefly tell us what has already been funded for these programs and what are the future requirements?

Answer. Past funded and currently programed amounts of MCA for DIVAD and PATRIOT considered unique to those systems are:

	80	81	82	83	84	85	86 - 90
PATRIOT	3.80	0	11.65	48.14	15.41	29.27	88.15
DIVAD	0	0	0	13.09	28.95	17.39	32.26

In addition, the following amounts were funded or are currently programed as associated costs to support fielding of those systems:

	81	82	83	84	85	86 - 90
PATRIOT	0	14.54	0	1.13	0	0
DIVAD	0	4.80	13.70	31.10	39.67	20.60

All or portions of the above FY 85 and out dollars would still be required even if fielding of the system were discontinued because they are also related to organization and force structure initiatives.

Question. How do any changes in these schedules impact on the military construction requirements?

Answer. If the change is significant and is a delay, it generally means reprogramingthe MCA to the appropriate year. Changes of 3 to 4 months usually have little impact. Even with system delays, the construction may still be required to meet the overall goal of force modernization connected with other system fieldings. All cases, for both systems and organizations, are assessed on an individual and sum-of-the whole basis to insure military construction is programed in the appropriate year.

Question. Can you provide the committee with a listing of the projects requested in FY 85 and outyear requirements and show how these facilities fit into the actual delivery of the weapons systems.?

Answer. Projects for these systems in the FY 85 budget are:

PATRIOT		
PN 1040	Tactical Site Facilities, Giebelstadt, GE	$ .53M
PN 1029	Barracks, Katterbach, GE	9.50M
PN 1034	Dining Facilities, Katterbach, GE	1.80M
PN 1035	Tactical Equipment Shop, Katterbach, GE	.71M
PN 1036	Tactical Site Facilities, Katterbach, GE	.73M
PN 1037	Heating Utilities, Katterbach, GE	5.50M
PN 234	Barracks, Ft Stewart, GE	10.50M

These facilities support the fielding of a PATRIOT battalion in July 1987.

DIVAD		
PN 374	Tactical Equipment Shop, Ft Riley, KS	9.70M
PN 1080	Ammunition Storage, Schwabach, GE	1.15M
PN 1071	Tactical Equipment Shop, Giessen, GE	11.60M
PN 1072	Barracks, Giessen, GE	12.00M
PN 1073	Battalion Headquarters, Giessen, GE	1.55M
PN 1074	Heating Plant, Giessen, GE	3.90M

These facilities support SGT York activations in FY 86 and 87.

Facilities in the FY 86-90 MCA program for systems fieldings in late FY 87 and beyond are still in the developmental phase.

QUALITY OF LIFE

QUESTION. General Delbridge, I know that you have worked very hard to ensure that the Army's personnel have a decent place to live and work. In that regard, what progress is being made in the area of UEPH's (barracks)?

ANSWER. The Army has made considerable progress in the area of barracks, particularly over the last several years. The Fiscal Year 1985 request will provide adequate living spaces for 14,232 personnel. Over 95% of these spaces are for enlisted personnel. The Army has placed barracks at the top of its military construction priority list, and in fiscal years 1982 through 1984 provided for 27,216 spaces through new construction and modernization. These assets are distributed approximately evenly between the United States and overseas. This is in keeping with the Army's commitment to worldwide improvement in living and working conditions for the soldier.

QUESTION. How many adequate living spaces does the Army have in relation to its needs?

ANSWER. The Army has a requirement for 460,000 adequate living spaces. Current assets include 397,000 spaces, or 86% of those needed.

QUESTION. Is there a long term program to get all of your people into housing that meets the standards as set by the Defense Department?

ANSWER. The Army is committed to housing all personnel according to Department of Defense standards by 1992. We will maintain barracks in the forefront of our construction program in adhering to that commitment.

QUESTION. What kind of costs are associated with this program?

ANSWER. The Fiscal Year 85 request includes $277 million for unaccompanied personnel housing. Elimination of the remaining deficit is expected to cost approximately $1.6 billion.

QUALITY OF LIFE

QUESTION. What do you see as the problem area with regard to so-called quality of life projects. Do you suggest any way to solve this problem?

ANSWER. The problem with quality of life projects is one of competing priorities. The Army views Quality of Life as an essential ingredient in our efforts to attract and retain servicemembers who form the foundation of our readiness posture. However, since readiness is multi-faceted, Quality of Life projects must compete for scarce resources with other worthy construction projects, as well as with personnel, procurement, and other requirements. We have attained a degree of success in alleviating the problem by recognizing the contribution of Quality of Life programs to readiness and retention. Continued success is rooted in maintaining the momentum generated in the last two years. We must stress a balanced program which includes providing facilities tied to the soldier and family support systems. Barracks, physical fitness training centers, child care centers and medical facilities are examples of areas which require our close attention and continuing Congressional support.

Korea

QUESTION: The Army again has a sizeable program--$123 million--requested for Korea. During our hearing yesterday, Dr. Korb made reference to the assistance received from the Korean government in the construction of operational facilities.

-- What has the Army received in the way of military construction facilities from Korea?

ANSWER: The Army along with the other service components is receiving a variety of military construction facilities from the Korean government funded 1982-1986 Combined Defense Improvement Projects (CDIP) Program. Because many of these projects are joint use, or benefit more than one component, the entire list of funded projects is included:

Second Infantry Division Upgrade
USMC Beddown
Contingency Airfield Upgrade
Air Combat Maneuvering Instrumentation Range
Korea Tactical Air Control System
A-10 Deployment Facilities
Korea Combined Operations/Intelligence Center
Korea Intelligence Support System
Tactical Satellite Communications Facilities

In addition to CDIP funded facilities, the Korean government is also funding telecommunications improvements, war reserve ammunition storage and family housing for the U.S. Forces.

QUESTION: Does the Army request specific projects?

ANSWER: Yes. All Army military construction requirements are reviewed for host nation funding eligibility by the U.S. forces CDIP steering committee. Specific, high priority projects are then submitted to the host nation for funding, after further review by the unified command, CINCPAC, and the Department of Defense.

QUESTION: Is there some sort of funding level which the Koreans impose on their assistance?

ANSWER: Yes. Construction for the U.S. Forces, which is included in the CDIP, is funded in fixed five year increments as a part of the overall Force Improvement Plan (FIP). The current FIP was finalized in 1981 and covers 1982-1986.

QUESTION: Does the Army compete with the Air Force for available resources from the Korean government?

ANSWER: Each service component develops its own construction requirements for submission to the U.S. Forces CDIP steering committee which screens and submits projects to the host nation for funding in accordance with overall U.S. Forces priorities.

Question. At Johnston Island in the Pacific, you have requested a project at $46 million for a chemical agent disposal facility.

-- Please describe this project.

-- Are other projects similar to this one being considered for future programs? If yes, where and why?

Answer. The chemical disposal project at Johnston Island is a major chemical munitions demilitarization facility which has been designed to dispose of all chemical munitions stored at that location. The chemical munitions located on Johnston Island were originally stored on Okinawa. When that island was returned to Japanese administration, the munitions had to be removed. Public Law 91-672 prohibited their return to the U.S. At the time of enactment, the PL envisioned the disposal of the munitions outside of the U.S. The proposed disposal facility will provide that capability. Initially, the facility will be equipped to dispose of obsolete M55 Rockets and M23 Landmines. The rockets pose a significant potential safety and environmental hazard on the island. The facility consists of a main demilitarization building which will be equipped with automated munitions handling equipment, special demilitarization furnaces and pollution abatement equipment. The disposal process is incineration. The facility will meet all applicable Federal Environmental Laws and Final Environmental Impact Statement has been prepared. Initiation of construction is programed for FY85 with disposal operations scheduled to begin in FY89. The first phase of operations, disposal of rockets and landmines, will be completed at the end of FY91. Facilities to dispose of M55 Rockets and M23 Landmines in the U.S. have been programed for FY88. The rockets and landmines are thin-walled munition which have explosive components which can only be removed during disposal. The Army's preferred option for the disposal of these munitions is to conduct the disposal at each storage site so that they will not have to be moved through the public domain. Storage sites in the U.S. include Anniston Army Depot, AL; Umatilla Army Depot Activity, OR; Lexington-Blue Grass Depot Activity, KY; Pine Bluff Arsenal, AR; and Tooele Army Depot, UT. Facilities programed for FY86 include Anniston, Umatilla and Lexington-Blue Grass. Rockets and landmines at Pine Bluff will be disposed of by retrofitting the BZ disposal facility upon completion of BZ operations. Munitions at Tooele will be processed through our existing prototype demilitarization facility.

MEDICAL FACILITIES

QUESTION: Briefly describe the Army's request for medical facilities in the FY 1985 program.

ANSWER: The Army requests $164.8 million for its fiscal year 1985 medical construction program to undertake fourteen separate construction projects. The Army plans to construct two clinics in Korea at a total cost of $8.15 million; five clinics in Germany at $12.95 million; and three clinics in the United States at $12.75 million. The fiscal year 1985 medical request also includes three hospital projects totaling $131 million. The largest of the hospital projects ($115 million) provides for the renovation of inpatient and clinical areas at Tripler Army Medical Center, Hawaii, and links the existing facility to the major addition project (fiscal year 1981 MILCON, $101.5 million) now under construction. This project, when complete, will result in the total replacement of Tripler. The first increment of the Madigan Army Medical Center replacement is requested at a cost of $11.2 million. This initial increment is devoted to site preparation. The final hospital project requests $4.8 million to renovate and alter the food service system at Walter Reed Army Medical Center.

QUESTION: I understand that the $11 million requested for Madigan Hospital at Fort Lewis, Washington, is only the beginning of a $340 million project. Please tell us about this project and how you plan to request funding for it.

ANSWER: The largest single project in the United States is the new Madigan Army Medical Center (MAMC) at Fort Lewis, Washington. The Army's fiscal year 1985 request provides for the first package of this project. The Army has requested authority to incrementally fund Madigan as permitted under Public Law 97-214 and as directed by Congress. The full authorization of $353 million for MAMC is being requested, but only $11.2 million in appropriation is needed for the first year in order that site preparation and utility services installation can be accomplished. The present MAMC was constructed as a World War II mobilization hospital with more than 100 buildings dispersed over an area of 75 acres. As a result, the hospital cannot provide modern facilities and equipment for proper medical care of personnel serving in the region. Continued use of the existing antiquated facilities will result in operational compromise in the provision of health care, inefficient use of available health care resources, and continued life safety risks for the patients and staff members. The Army plans to request funding as follows:

FY 85	$ 11.2M
FY 86	$ 50 M
FY 87	$100 M
FY 88	$100 M
FY 89	$ 92 M

Computer Systems Design Facility

QUESTION. Describe this facility and explain the high cost.

ANSWER: This ADP Software Systems Design Facility is an operational facility. The primary function of this facility is to design, develop, test, standardize, implement and enhance ADP software systems in support of the Army's Financial, Logistics, Personnel and Force Accounting functions. This new operational facility has been designed with the express purpose of providing not just a place to work but to provide an environment, a support structure, to bring Senior Management, ADP Professionals and computer hardware together, and to furnish the tools required for the Software Systems Developers to function more efficiently, productively and cost effectively.

The cost is justified in terms of operating savings of approximately $5.5 million per year, resulting in the cost of the facility being paid back in just under six years from the date of occupancy. OSD (Defense Relocation Account Committee) believed that this project was so economically attractive that they chose it for funding in FY 85.

Construction costs of comparable buildings in the private sector are about $92/square foot. This facility being constructed under the constraints of the Davis-Bacon Act and its unique ADP software and hardware design requiremtns has raised the cost to about $100.00.

QUESTION. Is this a unique, one of a kind facility for the Army or will similar facilities be requested?

ANSWER. This is a unique requirement.

QUESTION. How is this facility different from the various computer facilities requested?

ANSWER. This is not a computer facility. It is not a building to house computers, nor is it an office or an administrative building. The purpose of this project is to construct a centralized, consolidated ADP Software Systems Design Facility at Fort Belvoir for the US Army Computer Systems Command. This is an operational facility designed to support our Army-wide functional ADP software system mission to design, develop, test, standardize, implement and enhance ADP software systems in support of the Army's business functions. The results will be more responsive software systems support to the Army, which will enhance the Financial, Logistics, Personnel and Force Accounting functions of the Army. This will have a direct, positive impact upon the Army's combat readiness.

AREA ORIENTED DEPOTS

QUESTION. General Delbridge, I understand that the Army is beginning a new program to improve depot activities. The beginning of this program is a $49 million project located at the Sharpe Army Depot's Western Distribution Facility in California.
-- Please explain to the committee the purpose of this facility and how it ties into the overall program for these Depot changes.

ANSWER. The purpose of this program is to modernize the Area Oriented Depots (AOD) and provide the capability and capacity for efficient wholesale supply operations to sustain a high level of support through the 1990's and well into the next century. The AODs are big business, shipping over four and a half million transactions a year from a four and half billion dollar inventory. The area oriented depots provide 92 percent of all the repair parts shipped by the Army throughout the world. They support all 16 active Army divisions, all Army training activities, all Army Reserve and National Guard units, and most security assistance programs. The bottom line is that the AODs have a tremendous impact on defense readiness. Force Modernization will add 157 major systems to the Army inventory along with an additional 703 minor ones. As a result, we expect in the neighborhood of 172,000 new parts to also enter the inventory. In 1976, with the advent of the AOD concept, a rapid surge in activity began. In 1983, the AODs were operating at or near two shifts in many critical functional areas to accommodate the peacetime mission load. By 1990 we will need nearly three shifts to accommodate the peacetime mission demand. That is an unacceptable position to be in. It leaves very little flexibility for response to emergency or mobilization requirement.

We are designing a state-of-the-art facility that will process the average 1990 peacetime workload on one shift, leaving the second and third shifts for surges, emergencies, and mobilization. The industry life expectancy standard for materials handling equipment is ten years. The equipment at New Cumberland Army Depot is nearly ten years old, at Red River Army Depot nearly 15 and at Sharpe Army Depot nearly 16. By the time we complete our new distribution centers on the schedule currently planned, the equipment at Sharpe will be nearly 20 years old, that at Red River nearing 19, and that at New Cumberland 16. We are literally in a "Pay me now or pay me later" situation. We must replace the equipment whether we modernize or not. Our facilities are aging, averaging over 40 years old. However, age is not the basic problem. These facilities were designed and constructed in the 1940s to support operations as they were conducted in the 1940s. Today, we have fragmented operations, inadequate capacity, and total incompatibility with State-of-the-Art distribution technology. These facilities are severely limiting our productivity. The current supply operations at Sharpe Army Depot are fragmented across the facilities built there in the 1940s. We plan to consolidate 22 separate operations into the new Distribution Center, resulting in a significant improvement in efficiency and productivity. Our project objectives are one shift capacity for peacetime operations; state-of-the-art equipment, controls and processes; consolidation of fragmented functions and optimum standardization across all three of our distribution centers. The product will be a cost effective, flexible response capability for peacetime, emergency or mobilization demands across the entire spectrum of conflict. Program requirements follow:

AOD	MILITARY CONSTRUCTION	PROCUREMENT ARMY
Sharpe Army Depot	$49.0M	$39.4M
New Cumberland Army Depot	88.2M	75.6M
Red River Army Depot	86.9M	53.2M

QUESTION. Please give the committee some description of the facility itself and its amortization period.

ANSWER. The schedule calls for beginning construction at Sharpe Army Depot in July 1985 and completing the facility in December 1987. AT New Cumberland we will begin site preparation in January 1985; in accordance with Congressional guidance. We will begin the actual construction of the facility in July of 1986 with completion scheduled for December 1988. We plan to begin site preparation at Red River Army Depot in January 1986 with construction of the facilities beginning in July 1987 and completion scheduled for December 1989. The materials handling system is truly State-of-the-Art. Proven systems are planned throughout. Bar coding will be used extensively within the Distribution Center to improve accuracy, automation, speed, and management. The Intradepot Package Transportation System consists of over a mile of interconnecting live conveyor at Sharpe Army Depot, with over two miles planned at New Cumberland. Over a mile of Tow Line Network will provide Intradepot Pallet Transportation and Consolidation. The planned system incorporates the proven reliability, flexibility and economics of a Tow Line System and, at the same time, adds the newest innovations in electronic controls. Automatic storage and retrieval systems will be used in a 60 foot high rise storage area. Hybrid cranes will be used to achieve maximum flexibility within the state-of-the-art. One of their unique features is that they are not aisle-locked and can move from aisle to aisle allowing continued operation under emergency power. The preservation and packaging operation will incorporate the latest in cleaning and chemical processes. This entire operation is integrated into the Intradepot Package and Pallet Transportation System.

A High Speed Tilt Tray Sortation System will segregate and consolidate the thousands of packages processed daily to the myraid of possible customer and shipment combinations. The Area Oriented Depots serve over 10,000 customers on a daily basis with an additional 15,000 as intermittent consignees. There is a potential of over 75,000 addressees. Management and control of a Distribution Center is extremely complex and demanding. It involves thousands of

people, dozens of diverse but integrated functions and a maze of equipment systems. This must all come together to supply millions of high priority items annually in direct support of our field units. We plan to use a Four-level Distributive Data System that gives real-time management information to managers and automated equipment systems. We expect a tremendous return on investment from this element of our project in terms of time, dollars, and productivity. It is the nerve system and absolutely essential to effective and efficient production. Failure to construct this project will result in: (1) less than satisfactory preparation for Force Modernization, (2) inadequate capacity for acceptable response to mobilization or emergencies by 1990, and (3) increased reliance on manpower in a system that is already too manpower intensive. Failure to modernize and automate will drive up operating costs and severely inhibit SHAD's ability to sustain the high level of support currently provided to our soldiers, and (4) the decay and inefficiencies in the 40 year old facilities and the over age equipment will continue to mount resulting in increased operating costs and reduced productivity.
Anticipated ammortization is 4 to 6 years.

Each project consists of three integrated elements:
- Facility
- Materials Handling Equipment (MHE)
- Management and Control System (M&CS)

MASTER RESTATIONING PLAN (MRP)

QUESTION: The Army is requesting several projects at Giessen which would be considered part of the Master Restationing Plan if negotiations were further along.

Tell us the importance of these facilities and why the Army has decided to use its limited resources on these facilities which might be funded under MRP if it comes to pass.

ANSWER: If an MRP agreement comes to pass with Germany, the funds would not be available in time to allow the construction of these facilities to be completed by the time the using unit needs them. The need is based primarily on the desire to build for modernization where it makes sense. In the case of the Giessen projects, which will support a Division Air Defense (DIVAD) battalion, the existing air defense battalion area is too small to accommodate the DIVAD's much larger and heavier Sergeant York guns, and the Giessen MRP site is the only area of undeveloped U. S. controlled land of sufficient size to accommodate the battalion in the region of the division to which it belongs.

Delays in delivery of the Sergeant York guns for the DIVAD battalion would not diminish the urgency for the facilities at Giessen because the existing unit must leave its present facilities to accommodate a series of planned moves caused by other modernization requirements and the effort to relieve crowding in other communities.

Fort Richardson, Alaska Dining Facility Modernization

QUESTION: Your program includes a project at Fort Richardson, Alaska, for a dining facility modernization at a cost of $2.15 million. This project consists of renovation of 9,203 square feet at a per foot cost of $203 per square foot. This cost seems somewhat high; however, I am aware of higher than normal costs in Alaska and would ask you to please describe the details of this project and explain the cost and what is included in the cost.

ANSWER: The dining facility is contained in a troop barracks building that is structurally sound. The dining facility requires complete modernization of the kitchen area, serving area, and troop dining area. Construction costs at Fort Richardson, Alaska, are computed at a material, labor, and freight index of 1.92 times the continental U. S. costs. Other projects in the Fort Richardson/Anchorage area that have less material, labor, and equipment in scope have been costed at $193, $210, and $180 per square foot. The short construction season (5 months), coupled with the booming economy and construction activity, has created high construction demand with limited supply, which results in premium construction costs and a square foot cost of $203 for this project.

QUESTIONS SUBMITTED BY SENATOR THURMOND

Question. Please comment on the projects listed in the attached letters.

Answer. The central heating plant at Fort Drum, New York is a valid project now programmed for fiscal year 1986 and is currently under design. The project could be advertised in June, 1985, with contract award in September, 1985 if it were funded in fiscal year 1985. The current working estimate is $13.4 million.

Congress of the United States
House of Representatives
Washington, D.C. 20515

1984 MAR 23 AM 7:45

March 20, 1984

Honorable Strom Thurmond
Chairman
Subcommittee on Military Construction
Committee on Armed Services
222 Russell Senate Office Building
Washington, D. C. 20510

Dear Senator Thurmond:

I am writing to request that your Subcommittee on Military Construction consider including in the FY 1985 military construction authorization bill funding in the amount of $12,224,000 for a central heating plant for 114 buildings at Fort Drum, New York.

I am attaching a statement explaining the need for this project and a Form DD 1391 which describes it in detail.

This heating plant is urgently needed and has an early payback. I am assured by the Army that it will exceed 35% design in early June and can be under contract in FY 1985.

Your consideration of this project would be greatly appreciated. I will be available to answer your questions or those of other Subcommittee members at a hearing for Members or at any other time convenient to you.

Respectfully yours,

Dave

David O'B. Martin
Member of Congress

DM/dmb
Attachment

Congreſs of the United States
House of Representatives
Washington, D.C. 20515

Statement of
Representative David O'B. Martin
26th District, New York
To the Subcommittee on Military Construction
Senate Committee on Armed Services

Mr. Chairman, I greatly appreciate the opportunity to request that your Subcommittee authorize FY 1985 Military Construction funding in the amount of $12,224,000 for a central heating plant for 114 buildings at Fort Drum, New York. This is a much-needed project which will result in significant cost savings if accomplished now -- but, which could become very costly in money and lost training if delayed.

The planned heating plant at Fort Drum would burn wood chips, a locally available renewable energy source, with a conversion capability to burn coal should it become more economical. It would eliminate dependence on fuel oil except under emergency conditions. This is in line with the national energy policy of reducing our consumption of fuel oil, thereby reducing our dependence on foreign oil.

The estimated annual fuel saving cost alone for this project is $837,742. However, many of the existing individual heating systems are 35-40 year-old cast iron furnace conversions which are inefficient and create safety hazards. Maintenance costs are increasing continually and some equipment will soon be beyond repair. Delay in installing a central heating plant, therefore, could result in the necessity to shut down buildings and curtail winter training at Fort Drum or to replace the worn systems with new equipment which will then not be used after the central heating plant is installed. Either alternative is inefficient, wasteful and costly.

This project could be the forerunner of wood chip burning at other installations with unlimited potential future savings.

In summary, the central heating plant at Fort Drum is urgently needed and long overdue. It will conserve a scarce form of energy and substitute a renewable one. Delay would result in increased costs, safety hazards and maintenance requirements and could even result in a curtailment of major winter training at the installation.

The Army has stated that this project is essential and that, with fuel saving and reduced maintenance costs, a ten (10) year amortization is anticipated. The project will exceed 35% design in early June, 1984, and can be under contract in FY 1985.

The Subcommittee's strong consideration of this request would be appreciated.

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1. COMPONENT		2. DATE
ARMY	FY 1985 MILITARY CONSTRUCTION PROGRAM	21 Apr 83

3. INSTALLATION AND LOCATION	4. COMMAND	5. AREA CONSTR. COST INDEX
Fort Drum, NY	FORSCOM	1.03

6. PERSONNEL STRENGTH:	PERMANENT			STUDENTS			SUPPORTED			TOTAL
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
a. AS OF 30 Sep 82	65	442	611	0	0	9	3	63	194	1387
b. END FY 19 88	87	1107	451	0	0	0	10	67	249	1971

7. INVENTORY DATA ($000)

a. TOTAL ACREAGE 107,265	
b. INVENTORY TOTAL AS OF 30 Sep 82	48404
c. AUTHORIZATION NOT YET IN INVENTORY	21999
d. AUTHORIZATION REQUESTED IN THIS PROGRAM	5937
e. AUTHORIZATION INCLUDED IN FOLLOWING PROGRAM	13856
f. PLANNED IN NEXT THREE PROGRAM YEARS	25681
g. REMAINING DEFICIENCY	31393
h. GRAND TOTAL	147270

8. PROJECTS REQUESTED IN THIS PROGRAM:

CATEGORY CODE	PN	PROJECT TITLE	SCOPE	COST ($000)	DESIGN STATUS START	DESIGN STATUS COMPLETE
42183	54	GP Magazines	4680 SF	1070	-----	-----
74023	57	Physical Fitness Ctr.	33962 SF	4347	4/83	-----
	Subtotal Major Construction			5417		
21490	25	Veh. Wash Facility	2700 SF	251	11/82	-----
80090	50	FM Ctrl System	LS	269	2/83	-----
	Subtotal Minor Construction			520		
			TOTAL =	5937		

9. FUTURE PROJECTS:

a. Included in the following program [FY86]:

89090	46	Central Heat Plant	12244
	Subtotal Major Construction		12244
73010	55	Fire Station	884
74014	56	Child Care Facility	728
	Subtotal Minor Construction		1612
		TOTAL =	13856

b. Planned next three program years:

44240	POL Storage	405
44110	Supply Whse W/DIO Offices	5210
61011	Post Headquarters	1853
44225	Medical Supply	922
61027	Finance/Accounting Fac.	1006
74010	Multi-purpose Auditorium	1284
61023	MWR Admin/Supply	1145
	subtotal	11825
	TOTAL =	25681

10. MISSION OR MAJOR FUNCTIONS: Responsible for the command, training, and operation of all units and activities assigned to Fort Drum. Provides administrative and logistic support to all First Army Installations, units and activities located in Fort Drum Zone. Provides administrative and logistical support for active Army units conducting unit training, maneuve and field training exercises at Fort Drum

DD FORM 1 DEC 76 1390 PREVIOUS EDITION MAY BE USED INTERNALLY UNTIL EXHAUSTED PAGE NO.

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```
                86        964 W         REVISION DATE:  12 DEC 83
                     (AS OF 12/12/83 AT 11:41:31)    02 MAR 81
                     LAF=
FORT DRUM                                NEW
NEW YORK                                 CENTRAL HEAT PLANT

                  890 90         004600          12,244
```

THIS IS THE AUTOMATED 1391 FORMAT.

COST IN THOUSANDS.

```
PRIMARY FACILITY                                          2,833
  BOILER BUILDING                        SF  4,200   61.19(    257)
  BOILERS W/ACCESSORIES                  EA      2 783000.(  1,566)
  STORAGE SILOS                          EA      3  50000.(    150)
  STORAGE FEED CONVEYERS                 EA      3  57333.(    172)
  UNLOADING SHED W/HOPPER                LS     --     --  (     19)
  TOTAL FROM CONTINUATION PAGE                             (    669)
SUPPORT FACILITIES                                        8,220
  ELECTRIC SERVICE                       LS     --     --  (     57)
  WATER, SEWER & GAS                     LS     --     --  (  6,285)
  PAVING WALKS, CURBS & GUTTERS          LS     --     --  (     42)
  SITE IMP(    283) DEMO(       )        LS     --     --  (    283)
  COMMUNICATION                          LS     --     --  (      5)
  OTHER                                  LS     --     --  (  1,548)

SUBTOTAL                                                 11,053
CONTINGENCY PERCENT ( 5.00%)                                553
TOTAL CONTRACT COST                                      11,606
SUPERVISION, INSPECT & OVHD ( 5.50%)                        638
TOTAL REQUEST                                            12,244
TOTAL REQUEST (ROUNDED)                                  12,200
INSTALLED EQUIPMENT-OTHER APPROP                         (     0)
```

AS OF 29 FEB THE DESIGNERS ARE LOOKING AT 2 BOILERS EACH RATED AT 20MBH & 1 AT 5 MBH.

THE HEATING PLANT WILL CONTAIN TWO BOILERS EACH RATED AT 15 MBH. EACH BOILER IS DESIGNED TO BURN WOOD CHIPS SINCE PRESENT FUEL COST DICTATE WOOD AS BEING THE MOST ECONOMICAL FUEL SOURCE. A BACK-UP SYSTEM UTILIZING NO 2 FUEL OIL IS PROVIDED WITH EACH BOILER FOR EMERGENCY PURPOSES. DESIGN OF THE BOILERS ALLOWS FOR CONVERSION TO COAL THROUGH MINIMAL FIELD MODIFICATIONS SHOULD COAL BECOME THE MOST ECONOMICAL FUEL. THREE STORAGE SILOS WILL BE CONSTRUCTED TO INSURE AMPLE WOOD FUEL SUPPLY, ALONG WITH A 30000 GALLON UNDERGROUND FUEL OIL STORAGE TANK. AN ASH HANDLNG SYSTEM TO TRANSPORT THE BOILER ASHES TO A SILO OUTSIDE THE PLANT WILL BE PROVIDED. FLY ASH WILL BE COLLECTED WITHIN THE BOILERS AND IN COLLECTORS IN THE BREECHING TO THE STACK. THIS ARRANGEMENT WILL ALLOW THE BOILERS TO MEET THE MASS EMISSION LIMITS. A CONVEYOR FUEL HANDLING SYSTEM WILL BE PROVIDED FOR UNLOADING STORAGE AND DELIVERY OF THE WOOD CHIPS TO THE BOILER. A BOILER FEED WILL PROVIDE PRIMARY COMBUSTION AIR WITH THE INJECTION OF THE WOOD CHIPS. SECONDARY AIR IS INTRODUCED THROUGH THE STOKER GRATES THROUGH THE USE OF A FORCED DRAFT FAN. THE SYSTEM INCLUDES THE REQUIRED POLLUTION CONTROLS TO MEET E.P.A. AND D.E.C. STANDARDS. ALL PIPING UNDERGROUND WILL MEET THE FEDERAL CRITERIA FOR UNDERGROUND HEAT DISTRIBUTION SYSTEMS. CONVERSION OF EXISTING BUILDINGS SPACE HEATING AND DOMESTIC HOT WATER SYSTEMS TO OPERATE UTILIZING THE MEDIUM TEMPERATURE HOT WATER PROVIDED BY THE CENTRAL HEAT PLANT IS INCLUDED IN THE PROJECT SCOPE.

```
11. REQUIREMENT:        1EA ADEQUATE:           0EA SUBSTD:          0EA
```

PROJECT :
THIS PROJECT WILL PROVIDE A CENTRAL HEAT PLANT TO SUPPORT 114 BUILDINGS UTILIZED ON A YEAR AROUND BASIS.

REQUIREMENT :
THE CENTRAL HEAT PLANT IS REQUIRED TO REDUCE THIS INSTALLATIONS DEPENDENCE ON FUEL OIL AS A PRIMARY HEATING FUEL FOR BUILDINGS USED ON A YEAR AROUND BASIS. MANY OF THE OIL FIRED UNITS ARE OLD CAST IRON FURNACE CONVERSIONS. THEIR OPERATING EFFICIENCY IS MUCH LOWER THAN THE MODERN CONVENTIONAL UNITS AND HAVE A GREATER SAFETY RISK BECAUSE OF THEIR AGE WHICH IN SOME CASES IS 35-40 YEARS. REPEATED MAINTENANCE PROBLEMS COUPLED WITH THE INCREASED

FUEL OIL COST MAKES OPERATION OF THE UNITS INCREASINGLY COSTLIER. DOMESTIC HOT WATER WILL BE PROVIDED BY THE CENTRAL HEAT PLANT IN THE WINTER MONTHS WITH EXISTING INDIVIDUAL HOT WATER UNITS USED DURING THE SUMMER MONTHS SO THE CENTRAL HEAT PLANT CAN BE SHUT DOWN. CONSTRUCTION OF THE CENTRAL HEAT PLANT WILL BRING THIS INSTALLATION IN LINE WITH THE NATIONAL ENERGY POLICY BY REDUCING OUR CONSUMPTION OF FUEL OIL THUS REDUCING OUR DEPENDENCE ON FOREIGN OIL. UTILIZATION OF A RENEWABLE ENERGY SOURCE SUCH AS WOOD IN LIEU OF FOSSIL FUELS FURTHER ENHANCES THE CURRENT SITUATION :
OF THE 114 BUILDINGS TO BE CONNECTED TO THE CENTRAL HEAT PLANT, 107 ARE HEATED WITH NO 2 FUEL OIL AND 7 WITH ELECTRICITY. ALSO, 39 BUILDINGS HAVE OIL FIRED DOMESTIC HOT WATER HEATERS, 51 HAVE ELECTRIC HOT WATER HEATERS, 8 HAVE GAS HOT WATER HEATERS AND 16 BUILDINGS DO NOT HAVE DOMESTIC HOT WATER HEATERS.

IMPACT IF NOT PROVIDED :
IF THIS PROJECT IS NOT APPROVED, FORT DRUM WILL CONTINUE TO CONSUME FUEL OIL AS A MAJOR FUEL FOR BUILDINGS UTILIZED YEAR AROUND. MANY OF THE EXISTING HEATING SYSTEMS ARE 35-40 YEARS OLD AND NEED TO BE REPLACED. AN EXTENSIVE MAINTENANCE PROGRAM IS REQUIRED TO KEEP THE EXISTING UNITS OPERABLE. THE CONTINUED RISING COST OF FUEL OIL MAY NECESSITATE CURTAILMENT OF WINTER TRAINING AT ONE OF THE FEW MAJOR WINTER TRAINING POST IN CONUS. AN ENVIRONMENTAL IMPACT STATEMENT, IF WARRANTED, WILL BE PREPARED IN ACCORDANCE WITH PL 91-190.

DAVID B. HANNUM JR.
COL.
POST COMMANDER

ESTIMATED CONSTRUCTION START: APRIL 1986 INDEX: 1550
ESTIMATED MIDPOINT OF CONSTRUCTION: JANUARY 1987 INDEX: 1615
ESTIMATED CONSTRUCTION COMPLETION: OCTOBER 1987 INDEX: 1673

D1. GENERAL : --
THE PROPOSED WOOD FIRED CENTRAL HEAT PLANT WILL BE CONSTRUCTED TO REPLACE THE EXISTING COMBINATION OF OIL FIRED AND ELECTRIC HEATING SYSTEMS IN 114 BUILDINGS WHICH ARE UTILIZED YEAR AROUND ON FORT DRUM. REPLACEMENT OF FUEL OIL, WHICH IS THE PRIMARY HEAT ENERGY SOURCE, WITH WOOD WILL CONTRIBUTE TO OUR NATIONAL ENERGY POLICY BY REDUCING OUR DEPENDENCE ON FOREIGN OIL. ESTIMATED SAVINGS ARE AS FOLLOWS:

	ANNUAL COST 1980	
	PRESENT FUEL	PROPOSED FUEL
FUEL, INCLUDING HANDLING	$1772415	$532438
OPERATING LABOR	$194900	$567135
MAINT. & REPAIR	UNK	$30000
TOTAL ANNUAL COST	$1967315	$1129573
ANNUAL SAVINGS		$837742

• ESTIMATED M&R ABOVE PRESENT COST

D2. ACCOMMODATIONS NOW IN USE :
OF THE 114 BUILDINGS TO BE CONNECTED TO THE CENTRAL HEAT PLANT, 108 ARE HEATED WITH NO. 2 FUEL AND 7 WITH ELECTRICITY. 90 BUILDINGS HAVE DOMESTIC HOT WATER HEATERS OF WHICH 28 ARE OIL FIRED, 54 ELECTRIC AND 8 GAS FIRED. APPROXIMATELY 57% OF THE HEATING UNITS ARE THE ORIGINAL COAL FIRED UNITS WHICH HAVE BEEN CONVERTED TO OIL.

BLDG. NO.	USE	GROSS SF	HEAT BTU/HR	DHW BTU/MO X 1000.
T-1	PMO	2305	96900	3600
T-3	POST HQ	7600	296500	750
T-4	FAO	5772	205600	1250
T-6	PM ADMIN	1144	63600	250
T-7	IG OFFICE	1144	63600	250
T-9	STOREHOUSE	1296	53100	-
T-10	BARRACKS	4720	161700	17993
T-11	BARRACKS	4720	161700	17993
T-12	BARRACKS	4720	161700	17993
T-13	MILITARY FINANCE	1675	67500	400
T-14	ADMIN GP	3663	162600	1250

T-15	MILITARY PERS	3742	135500	750
T-16	BARRACKS	4720	161700	17993
T-17	BARRACKS	4720	161700	17993
T-18	BARRACKS	4720	161700	17993
T-19	MESSHALL	3212	189000	46688
T-21	BARRACKS	4720	161700	17993
T-22	BARRACKS	4720	161700	17993
T-23	BARRACKS	4720	161700	17993
T-24	BARRACKS	4720	161700	17993
T-27	BARRACKS	4720	161700	17993
T-28	BARRACKS	4720	161700	17993
T-29	BARRACKS	4720	161700	17993
T-31	SPECIAL TRPS HQ	1144	63600	250
T-34	COMPTROLLER OFF	1845	95900	-
T-35	POST RE-ENLIST OFF	1296	53100	-
P-36	MED FACILITY	8205	1004000	OFF BOILER
P-44	BATTERY SHOP	2910	267100	75
T-45	CPO	4720	161700	17993
T-46	BARRACKS	4720	161700	17993
T-55	ADP	8425	235900	2000
P-60	COLD STORAGE	10127	115000	125
T-63	COMMISSARY	10579	200100	250
T-64	WAREHOUSE	9267	200100	-
T-65	WAREHOUSE	9267	200100	-
T-68	WAREHOUSE	9000	200100	250
T-69	WAREHOUSE	9267	200100	-
T-70	WAEHOUSE	9267	200100	-
T-73	SELF-SVC SUPPLY	9507	200100	250
T-74	WAREHOUSE	9267	200100	250
T-75	WAREHOUSE	9267	200100	250
T-78	CLOTHING SALES	10491	200100	250
T-79	WAREHOUSE	10491	200100	250
T-80	EX WAREHOUSE	9267	200100	-
T-84	OPD SHOP	14606	1184100	1519
T-85	MAIN EX OFF	2284	116700	550
T-89	WAREHOUSE/OFF	9267	200100	250
T-91	ALLIED TRADES	22545	1512000	375
T-92	INSP/CANVAS SHOP	3108	129300	100
T-93	WHEEL/INSP SHOP	13240	1081000	275
T-94	OPD ADMIN OFF	2000	116700	550
T-96	ELECTRONIC SHP	9997	200100	250
T-97	TMP WAREHOUSE	14008	200100	250
T-101	PERSONNEL SVCS	2305	94900	3600
T-102	JUDGE ADV OFF	1600	82900	400
T-104	COMPTROLLER OFF	1600	82900	400
T-113	CREDIT UNION	840	45400	125
T-114	POST EX FACILITY	3717	162600	1225
T-115	POST EX FACILITY	4120	135500	750
T-116	BANK	840	45400	125
T-120	MESSHALL	2360	179400	34500
T-121	BARRACKS	4720	161700	17993
T-122	BARRACKS	4720	161700	17993
T-124	BARRACKS	5310	179300	17993
T-125	BARRACKS	5310	179300	17993
T-126	BARRACKS	5310	179300	17993
T-130	STOREHOUSE	2588	97600	-
T-131	ADMIN GP	1144	63600	-
T-132	ADMIN GP	1144	63600	-
T-138	ADMIN GP	1144	63600	-
T-140	MESSHALL	2488	179300	25500
T-141	BARRACKS	4720	161700	17993
T-142	BARRACKS	4720	161700	17993
T-143	BARRACKS	4720	161700	17993
T-144	BARRACKS	5310	179300	17993
T-145	BARRACKS	5310	179300	17993
T-146	BARRACKS	4720	161700	17993
T-147	BARRACKS	4720	161700	17993
T-148	BARRACKS	4720	161700	17993
T-149	MESSHALL	2360	179400	25500
P-175	BARRACKS	94779	3000000	OFF BOILER
T-191	ADMIN GP	3151	161700	750
T-191	DIO	8018	267100	2499
T-194	TMP MAIN OFF	3108	169700	750
T-196	SHOP STORAGE	3576	175900	-
T-197	PAINT REFRIG.SHOP	3696	175900	375
T-198	TMP MOTOR REP SHOP	7020	234400	125
T-199	TMP DISPATCH OFF	720	65300	-
T-1123	OPD ADMIN OFF	3108	190700	324

T-1124	MOTOR REPAIR SHOP	3108	190700	324
T-1125	ARMS STORAGE	4932	97200	936
T-1131	POST PUBLICATIONS	7219	178900	250
T-1132	MOTOR REPAIR SHOP	7219	183700	250
T-1134	STOREHOUSE	3108	190700	324
T-1141	MOTOR REPAIR SHOP	7219	183700	250
T-1142	MOTOR REPAIR SHOP	7219	178900	250
T-1143	STOREHOUSE	3108	190700	324
T-1151	SUPPLY	3108	206700	324
T-1172	ENGINEER SHOP	7219	188700	250
T-1174	INSPECTION SHOP	4166	371500	448
T-1255	MOTOR REPAIR SHOP	4166	371500	448
T-4000	DEH	12712	517400	2500
T-4002	ESTIMATORS	1448	112900	300
T-4003	MOTOR REPAIR SHOP	7644	329900	797
T-4004	WAREHOUSE	11500	240400	1000
T-4009	DISPATCH OFFICE	384	30100	-
P-6000	NJANG OFF/SHOPS	21570	1004400	2241
P-6001	OEM WAREHOUSE	7540	208500	249
P-6020	NYANG OFF/SHOPS	30000	3258000	OFF BOILER
P-6050	NYANG OFF/STORAGE	13000	1561000	OFF BOILER
P-174	5-CO ADMIN/SUPPLY	24150	1200000	OFF BOILER
P-173	BARRACKS	81460	3000000	OFF BOILER
P-1240	TOE MAINT FAC	36567	5542000	OFF BOILER
T-119	BN. HQ.	14838	47000	OFF BOILER
	TOTAL HEAT LOAD		40430700	666884

HEAT LOAD X .95(TEMP DESIGN ADJ FACTOR) X .7(LOAD DEMAND FACTOR)

40430700 BTU/HR X .95 X .7 = 26886416 BTU/HR HEAT LOAD

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DHW LOAD = 666884000 BTU/MO X 9 MO/YR = 916050 BTU/HR DHW
           ---------------------------
             273 DAYS X 24 HR DAY

TOTAL HEAT LOAD = 26886416 BTU/HR
                    916050 BTU/HR
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D3. ANALYSIS OF DEFICIENCY :
THE MAJORITY OF THE HEATING SYSTEMS ARE 35-40 YEARS OLD OIL CONVERSIONS. THEIR REDUCED EFFICIENCY AND POOR PHYSICAL CONDITION COUPLED WITH THE HIGH FUEL OIL COST SUGGEST THAT REPLACEMENT MAY BE REQUIRED IN THE VERY NEAR FUTURE.

D4. CONSIDERATION OF ALTERNATIVES :
SINCE THIS PROJECT INVOLVES RELATIVELY NEW CONCEPTS IN CENTRAL HEATING DESIGN. EQUIPMENT IS OF A SPECIALIZED NATURE: THEREFORE.ELIMINATING ANY VIABLE ALTERNATIVES.

D5. CRITERIA FOR PROPOSED CONSTRUCTION :
DESIGN STANDARDS TO BE IN ACCORDANCE WITH DOD MANUAL 4270.1-M. FEDERAL ECIP PROGRAM. NEW YORK STATE RULES FOR STATIONARY COMBUSTION INSTALLATIONS AND FEDERAL CRITERIA FOR UNDERGROUND HEAT DISTRIBUTION SYSTEMS.

D6. PROGRAM FOR RELATED EQUIPMENT :
FACILITY DOES NOT REQUIRE FURNITURE OR EQUIPMENT OTHER THAN CONTRACTED WITH THE PROJECT.

D7. DISPOSAL OF PRESENT ASSETS :
THE PRESENT HEATING SYSTEMS WILL REMAIN IN PLACE AND CONVERSION UNITS INSTALLED WITHIN. IN ORDER TO ADAPT THESE SYSTEMS TO HOT WATER HEATING.

D8. SURVIVAL FACILITIES:
THIS PROJECT IS NOT SUITABLE FOR INCLUSION OF PROTECTIVE SHELTER.

D9. SUMMARY OF ENVIRONMENTAL CONSEQUENCES OF PROJECT :
THIS PROJECT HAS BEEN ASSESSED AND WILL NOT SIGNIFICANTLY EFFECT THE QUALITY OF HUMAN ENVIRONMENT.

D10. EVALUATION OF FLOOD HAZARDS :
THIS FACILITY IS NOT SITED IN A FLOODPLAIN AND DOES NOT ENCROACH ON WETLANDS.

D11. ECONOMIC JUSTIFICATION:
AMORTIZATION OF THIS PROJECT IS ESTIMATED TO BE ACCOMPLISHED IN APPROXIMATELY 10 YEARS. SEE ATTACHED ECONOMIC ANALYSIS.

D12. UTILITY AND COMMUNICATION SUPPORT :
NONE REQUIRED.

D13. PROTECTION OF HISTORIC PLACES AND ARCHEOLOGICAL SITES :
REAL ESTATE ON WHICH FACILITY IS TO BE CONSTRUCTED DOES NOT APPEAR IN THE NATIONAL REGISTER OF HISTORIC PLACES.

D14. PROJECT DEVELOPMENT BROCHURE (PART I) :
THE PDB HAS BEEN COMPLETED AND FORWARDED.

D15. ENERGY REQUIREMENT:
THE CENTRAL HEAT PLANT IS AN ENERGY CONSERVATION PROJECT DEVELOPED TO REDUCE THIS INSTALLATIONS DEPENDENCE ON FUEL OIL WHICH IS ITS PRIMARY HEATING FUEL. THE SCOPE INVOLVES THE SPACE HEATING AND DOMESTIC HOT WATER SYSTEMS FOR 114 BUILDINGS USED ON A YEAR AROUND BASIS. THE HEAT PLANT WILL PRODUCE HOT WATER HEATING MEDIA FROM TWO 15 MBTU WOOD CHIP FIRED BOILERS. IT WILL REQUIRE APPROXIMATELY 13200 TONS OF WOOD CHIPS PER YEAR WHICH ARE IN AMPLE SUPPLY IN THIS GEOGRAPHICAL AREA.

D16. PROVISION FOR THE HANDICAPPED :
NO PROVISIONS FOR THE HANDICAPPED WILL BE MADE SINCE THE SCOPE OF THIS PROJECT IS IN NO WAY APPLICABLE TO DESIGNING FOR THE HANDICAPPED.

D17. REAL PROPERTY MAINTENANCE ACTIVITY (RPMA) ANALYSIS:
A. PHYSICAL IMPACT:

UNITS	ADDED	REMOVED	NET CHANGE
BLDG. SF	4200	0	+ 4200
HEAT BTU/HR	30000000	27302466	+ 2197534
PIPING LF	41104	0	+ 41104

B. OPERATION AND MAINTENANCE (O&M) IMPACT: THE ADDITION OF THIS HEAT SYSTEM WILL RESULT IN AN ESTIMATED INCREASE IN O&M COST AS FOLLOWS:

YEAR	(O&M)
1987 (BOD)	\$36300
1988	39930
1989	43923

C. APPROVAL OF THIS PROJECT WILL RESULT IN ELIMINATION OF 1831755 OF BMAR PROJECTS.

D18. COMMERCIAL ACTIVITIES (CA) ANALYSIS
OPERATION OF THE CENTRAL HEAT PLANT WHICH IS A DIRECTORATE OF ENGINEERING AND HOUSING (DEH) FUNCTION WILL BE REVIEWED IN 1984 UNDER AN UMBRELLA REVIEW OF ALL DEH FUNCTIONS TO DETERMINE IF THEIR ECONOMICS JUSTIFY A CAP OPERATION.

9.B SUPPORTING FACILITIES		U/M	QTY	UNIT COST	COST ($000)
9.B1	Electric Service				(57)
1)	PRIMARY/SECONDARY DISTRIBUTION	LS			57
9.B2	Water, Sewer & Gas				(6,285)
1)	POTABLE WATER LINES	LF	100	10.83	1
2)	SEWER LINE	LF	400	10.83	4
3)	EXCAVATE/BF/BED/COMPACTION	CY	204	12.17	2
4)	HEAT DISTRIBUTION PIPE (5IN.)	LF	2,200	167.89	369
5)	HEAT DISTRIBUTION PIPE (4IN.)	LF	824	167.89	138
6)	HEAT DISTRIBUTION PIPE (3IN.)	LF	880	141.00	124
7)	HEAT DISTRIBUTION PIPE (2 1/2IN.	LF	4,100	141.00	578
8)	HEAT DISTRIBUTION PIPE (2IN.)	LF	3,080	96.11	296
9)	HEAT DISTRIBUTION PIPE (11/4IN.)	LF	1,550	89.73	139
10)	HEAT DISTRIBUTION PIPE (1IN.)	LF	28,470	80.30	2,286
11)	HEAT DISTRIBUTION VALVE(5IN.)	EA	14	1834.	26
12)	HEAT DISTRIBUTION VALVE(4IN.)	EA	18	1080.	19
13)	HEAT DISTRIBUTION VALVE(3IN.)	EA	8	726.00	6
14)	HEAT DISTRIBUTION VALVE(21/2IN.)	EA	4	640.00	3
15)	HEAT DISTRIBUTION VALVE(2IN.)	EA	12	554.00	7
16)	HEAT DISTRIBUTION VALVE(11/4IN.)	EA	4	525.00	2
17)	HEAT DISTRIBUTION VALVE(1IN.)	EA	304	220.00	67
18)	HEAT DISTRIBUTION VALVE(1/2IN.)	EA	405	175.00	71
19)	MANHOLES	EA	15	3373.	51
20)	EXPANSION LOOPS	LS			915
21)	HEAT DIST. EXCAVATE/BF/COMP.	LF	20,602	57.32	1,181
9.B4	Paving Walks, Curbs & Gutters				(42)
1)	ROADS(CONCRETE)	SY	422	34.44	15
2)	UNLOADING/LOADING AREA	SY	464	34.44	16
3)	CUT/PATCH EXISTING PAVEMENT	SY	1,150	9.92	11
9.B6	Site Improvement/Demolition				(283)
1)	LIGHT CLEARING	AC	0.25	2750.	1
2)	SEED/FERTILIZE	SY	18,300	1.75	32
3)	FINE GRADING	SY	18,300	0.93	17
4)	DEMOLISH EXIST AIR SYSTEMS	EA	84	2104.	177
5)	DEMOLISH EXIST HYDRONIC SYSTEMS	EA	10	1885.	19
6)	DEMOLISH EXIST STEAM SYSTEMS	EA	13	1880.	24
7)	DEMOLISH EXIST ELEC. SYSTEMS	EA	7	1880.	13
9.B7	Communication				(5)
1)	COMMUNICATIONS	LS			5
9.B8	Other				(1,548)
1)	CONVERT EXIST AIR SYSTEMS	EA	84	5608.	471
2)	CONVERT EXIST. STEAM SYSTEMS	EA	13	20069.	261
3)	CONVERT EXIST. HYDRONIC SYSTEMS	EA	10	7600.	76
4)	CONVERT EXIST. ELEC. SYSTEMS	EA	7	38033.	266
5)	DHW HEAT EXCHANGERS(25MBH)	EA	58	982.76	57
6)	DHW HEAT EXCHANGERS(144MBH)	EA	52	3192.	166
7)	DHW STEAM CONVERSIONS	EA	4	3500.	14
8)	MISC. DHW VALVES/FITTINGS/ECT.	LS			133
9)	20000 GAL. FUEL STG. TANK	EA	1	28000.	28
10)	2000 GAL. EXPANSION TANK	EA	1	2000.	2
11)	CIRCULATING PUMPS	EA	4	18500.	74

MOUNTAIN WARFARE SCHOOL

QUESTION: Please comment on the projects listed in the attached letters.

ANSWER: The two cited construction projects at Ethan Allen Firing Range, Jericho, Vermont, were deleted from the proposed FY 85 Army National Guard Military Construction program because the designs were not sufficiently developed by 1 January 1984 to satisfy congressional review requirements. This action was taken without prejudice as to the need for these facilities because the potential in mountain and arctic combat capabilities to be gained by the Army National Guard through establishing the Mountain Warfare School at Jericho is unchallenged.

The Adjutant General of Vermont is aware of this problem and is taking action to expeditiously complete these designs by the scheduled completion date of 1 January 1985. Currently, the cost estimates for the Mountain Warfare School is $1,809,000 and for the supporting armory is $601,000.

United States Senate
WASHINGTON, D.C. 20510

March 28, 1984

The Honorable Strom Thurmond
Chairman
Subcommittee on Military Construction
Committee on Armed Services
United States Senate
Washington, D.C. 20510

Dear Strom:

In the Fiscal Year 1985 Defense Budget programming process, the Department of the Army deleted $1.7 million for establishment of the mountain warfare school for the National Guard in Jericho, Vermont. At the same time $540,000 was deleted for construction of an armory for the Vermont mountain warfare company, also to be located in Jericho.

The mountain warfare school in Vermont is to serve as the training center in mountain warfare tactics for National Guard units nationwide. Of the major military powers in the world, the United States is the only one without a significant mountain warfare unit or capability. Failure to fund the mountain warfare school and armory in Jericho, Vermont would eliminate training facilities essential for rebuilding a mountain warfare capability in the National Guard. In view of the mountainous terrain on which the United States might be called upon to fight in many areas of potential conflict, it is difficult to understand why this decision was made.

As the Armed Services Committee continues its work on the Fiscal Year 1985 Defense Authorization, I request that you, in your capacity as Chairman of the Subcommittee on Military Construction, include $1.7 million for the establishment of the mountain warfare school in Jericho, Vermont, and $540,000 for construction of an armory for the Vermont mountain warfare company.

As you know, I rarely request special consideration for defense construction in Vermont. However, the importance of securing the Mountain Warfare School and Armory compells me to request that you include an authorization for this funding in the FY 85 defense budget.

Sincerely,

PATRICK J. LEAHY
United States Senator

PJL/en

cc: The Honorable Jeff Bingaman

QUESTIONS SUBMITTED BY SENATOR STENNIS

CAMP SHELBY, MISSISSIPPI

QUESTION: General, it is my understanding that a rehabilitation project is scheduled for Camp Shelby in the near future. As you are aware, Camp Shelby is a World War II installation which has been designated a major mobilization station. It also supports specified units of Mississippi, Alabama, Tennessee, and Kentucky. What is the status of this program, including cost, and what will the program entail? Is this a program which can be accelerated into the Fiscal Year 1985 military construction budget?

ANSWER: The State was given the authority to hire an architect/engineer in March 1984. The current working estimate is $5,087,000. The project involves the alteration and rehabilitation of 221 enlisted barracks buildings; 30 officer barracks buildings; renovation of 43 dining facilities, additions to, or rehabilitation of, 33 latrine buildings; 48 company supply and administrative buildings, and 15 battalion headquarters buildings. No problem is anticipated if this project is accelerated into the FY 85 budget request.

JACKSON, MISSISSIPPI

QUESTION: General, I understand the Fiscal Year 1986 military construction program includes funding for an Organizational Maintenance Shop in Jackson, Mississippi. What is the status of this project? Can this project be accelerated into the Fiscal Year 1985 military construction budget?

ANSWER: An architect/engineering contract was awarded for this project in March 1984. No problem is anticipated if this project is accelerated into the FY 85 budget request.

QUESTIONS SUBMITTED BY SENATOR QUAYLE

FORT BENJAMIN HARRISON BARRACKS

QUESTION. General Delbridge, I am pleased to see that the FY 1985 military construction budget places a strong emphasis on new barracks improvements. My visit last year to Fort Benjamin Harrison convinced me of the importance of getting our troops out of World War II vintage barracks and into barracks that provide decent, modern living conditions. I understand that the first of three new barracks planned at Fort Harrison was approved in the FY 1984 bill and will see a contract award possibly in early August. Could you provide for the record the status of the second planned barracks at Fort Harrison? I understand it is far enough along in the planning and design stages to be included in our FY 1985 bill and could be built from savings. Would you support building this project through savings?

ANSWER. The FY 1986 program includes two barracks projects at Fort Benjamin Harrison. Both will have reached concept design completion by June 1984 and be ready for contract award in the first quarter of FY 1985. Both could be included in the FY 1985 bill and built from savings. The Army would support such an effort.

QUESTIONS SUBMITTED BY SENATOR NUNN

Question. I note that almost $61 million has been requested for projects on Fort Bragg, North Carolina. Are any of these projects designed to accomodate the mission of initial airborne qualification which is currently performed at Fort Benning? Does the Army have any plans for relocation of this mission from Fort Benning?

Answer. None of the projects requested for Fort Bragg are designed to accomodate initial airborne qualification. The Army has no plans for relocation of this mission from Fort Benning.

Question. Fort Gordon has been described as the High Technology Training Center for the Army. How has the Army phased its Modernization of Technical Training Facilities on this installation to support the introduction new, High Technology Equipment in the Army? In particular, how is Fort Gordon going to support new Generations of Satellite Communications Equipment?

Answer. The proliferation of new tactical electronic/communication equipment to modernize our forces has necessitated significant upgrading of the academic facilities at Fort Gordon, GA. The Army has met this requirement by building three new academic buildings; one in FY 83, one in FY 85 and one is programed in FY 86. In addition, the Army currently has programed a Satellite Communications Academic Facility in FY 86 to support tri-service strategic communications training.

Question. I note that the Army's family housing construction request has been reduced by about $14 million from last year's level, based upon the anticipated participation in the build-to-lease and housing assurance program. Would you please provide the status of implementation of those programs, when prospective contractors can expect to receive instructions; and which Army installations are envisioned for participation in these pilot programs.

General Delbridge. The Office of the Secretary of Defense (OSD) has taken a lead role in implementation of these two test programs to insure a uniformity in application and standards. Pending implementation of final guidance from OSD, the Army has taken several preliminary steps: selected sites for implementation; published to all participating parties guidance and milestones; conducted preliminary meetings with participating installations and Major Army Commands; and assisted in developing the Section 801, build-to-lease (off-post), request for proposal (RFP).

On March 8, 1984, the Federal Register contained the announcement on the RFP for Section 801, build-to-lease (off-post), and the RFP for Section 802, rental assurance.

The Army has chosen the following four sites for the advertisement of these two tests: Forts Campbell, Polk, Rucker and Hood.

NEW EQUIPMENT

QUESTION: Please describe how the Army's plans to expand and modernize the National Guard have influenced this year's Guard MILCON budget request. Specifically, which new equipment has generated construction projects?

ANSWER: There are three projects in the FY 85 program that were totally or partially required by the modernization of the Army National Guard. The Flight Weapons Simulator Buildings at Marana, Arizona and Fort Indiantown Gap, Pennsylvania are to house the AH-1S (Cobra) simulators. The Mobilization and Training Equipment Site Alteration and Addition project at Fort Stewart, Georgia is to support the M-60A3 and M-1 tanks.

Question: How much of the Army Reserve MILCON program is driven by the expansion and modernization of this component? Which projects are directly related to the programing of new equipment or missions for Reserve units?

Answer: In the case of the Army Reserve, an individual enlists in a unit at a specific location. The Army Reserve cannot order that individual to a different location to accommodate a new unit activation. Recognizing this, Congressional and DOD direction related to the Army Reserve's construction program precludes the start of projects until such time as the unit has sufficient strength and the equipment issued. Construction projects included in the FY 85 request have been driven by this thesis. In essence, all projects in the FY 85 submission were driven by previous troop actions, strength increases or equipment deliveries. Current expansion or mission changes will be reflected in outyear programs.

QUESTIONS SUBMITTED BY SENATOR BINGAMAN

Public Law 97-214, Military Construction Codification Act defines "Military Construction" (10 USC 2801(a)) as follows:

"The term 'military construction' as used in this chapter or any other provision of law includes any construction, development, conversion, or extension of any kind carried out with respect to a military installation."

10 USC 2801(c)(2) also describes the term installation as follows:

"'Military installation' means a base, camp, post, station, yard, center, or other activity under the jurisdiction of the Secretary of a military department or, in the case of an activity in a foreign country, under the operational control of the Secretary of a military department or the Secretary of Defense."

Additional definitions and limitations regarding use of MCA funds are included in 10 USC 2801-2808.

The annual Military Construction Appropriations Act states in part "... sums are appropriated,...for military construction functions...and for other purposes, namely:...for acquisitions, construction, installation, and equipment of temporary or permanent public works, military installations, facilities, and real property for the Army as currently authorized by law, and for construction and operation of facilities in support of the functions of the Commander-in-Chief,..."

Military Construction appropriations are investment accounts as opposed to expense (O&M) or research and development accounts (RDTE). They involve acquisition of real property and equipment

(DODI 7040.5). The life expectancy of the real property may vary from five to ten years (temporary) or to 25 plus years (permanent), but the purpose of the expenditure is to acquire the facility. If the purpose of the expenditure is to train the soldiers and those soldiers are a construction engineer organization, the training (operation expense) could well include the construction of facilities. Pilots train by flying, riflemen by shooting and engineers by building.

Soldiers (engineers) are used, on occasion, in conjunction with investment (Military Construction) activities where acquiring facilities is the purpose of the expenditure. In this case the troop labor was deemed beneficial to the troops and to the Army in acquiring the facilities as well and is not included in the funded project cost. These projects, being investment account activities, must of course be authorized by Congress. Such projects are few due to the general principal that construction should be done by the private sector and because not all construction work would be beneficial to the training needs of the troops themselves.

There are other rules which govern construction of specific types such as Operations and Maintenance work; non-appropriated funded projects; Research, Development, Test and Evaluation projects, Production Base Support construction; Army Industrial Fund; and Foreign Military Sales.

OPERATIONS AND MAINTENANCE, ARMY (OMA)

10 USC 2805(c) authorizes the use of OMA funds for facility acquisition costing not more than 20 percent of the maximum amount specified by law for minor construction. At the present, the minor construction limit is $1 million; therefore, the OMA construction or acquisition limit is $200,000 for any project.

NON-APPROPRIATED FUNDS (NAF)

Non-appropriated funds (NAF) consist of cash and other assets received by NAF instrumentalities (fiscal entities established and maintained by DOD components that provide morale, welfare and recreational programs for military personnel and their families) from sources other than monies appropriated by Congress. They are used for the collective benefit of military personnel, their dependents and authorized civilians who generate them.

In the Conference Report on the DOD Authorization Bill for FY 1980 (House Report 96-595), the conferees noted the "disparity between the Services with regard to the use of non-appropriated funds" for the construction of certain community-type facilities. As a result, the conferees directed DOD to establish a consistent programming policy for this class of facilities. DOD forwarded its policy to House and Senate Committees in February of 1980. Although the committees neither accepted nor rejected the policy, it has served as the basis for deciding which type of facilities (e.g. bowling centers, clubs, class VI stores, etc) are to be funded with NAF. In general, revenue producing facilities are not built with appropriated funds.

The Services provide an annual report of proposed construction projects to be financed with NAF to the House Armed Services Committee for approval.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION (RDTE)

RDTE can be used for construction not to exceed $200,000 at RDTE installations. Procedures are outlined in AR 415-25. These projects must be submitted annually for programming to DOD (10 USC 2805).

RDTE funds can be used for specialized construction or equipment to be used by a RDTE contractor. OSD must approve these projects if greater than $3 million (DA approves if less than $3 million). Procedures are outlined in AR 415-25. These projects must be submitted to OSD annually (10 USC 2353).

Note: Congress must be notified of all projects.

PRODUCTION BASE SUPPORT (PBS)

PBS construction projects at government owned, contractor operated plants (GOCO) greater than $200,000 must be authorized and appropriated by the Defense Committee, with the exception of Ammunition Plants which must also receive authorization from the Congressional MILCON Committees. All PBS construction projects are funded from the procurement appropriation. (DOD Directive 4275.5)

PBS construction less than $200,000 is funded by the procurement appropriation. They are submitted to DOD for approval. (DOD Directive 4275.5)

Note: Congress is notified of all projects.

ARMY INDUSTRIAL FUND (AIF)

Construction projects less than $200,000 will be funded by the AIF installation with AIF funds. They are authorized at the AIF installation. (Public Law 97-214)

AIF construction projects greater than $200,000 must be funded by the MCA appropriation. (Army Regulation 415-15)

FOREIGN MILITARY SALES (FMS)/FOREIGN MILITARY CONSTRUCTION SALES (FMCS) and MILITARY ASSISTANCE PROGRAMS

FMS and FMCS construction efforts are administered under authority of the Foreign Assistance Act of 1961, as amended and the Arms Export Control Act, 1976, as amended. Construction may be undertaken as the sale of design and construction services only, as part of the sale of defense articles, services and training, or as part of the transfer of military assistance funds. In all cases the Corps of Engineers is fully reimbursed for services rendered.

The general FMS procedures for the delivery of design and construction services are as follows:

a. The customer requests the specific service/facilities (Letters of Request).

b. The responsible DoD agency makes its offer (scope and dollars) to perform the services (Letter of Offer and Acceptance) (LOA).

c. The foreign government accepts the offer by signing the LOA and depositing funds in accordance with the payment schedule.

d. The responsible agency performs the service.

The foreign government is committed to pay the actual cost of the service. If a cost overrun occurs, and is less than 10 percent of the value of the service, DoD is authorized to overrun the case by 10 percent. If the overrun exceeds 10 percent, an amendment to the LOA must be processed as in b through d above.

ARMY REGULATION

Army Regulation (AR) 350-1, "Army Training has assigned The Director of Training, Office, Deputy Chief of Staff, Operations and Plans (ODCSOPS) the responsibility to "direct Program 2 (Mission) and Program 8 (Training) of the Operation and Maintenance, Army budget." These funds would be used to support construction activities of engineer units engaged in mission or skill enhancement training.

AR 37-100-84, "Financial Administration, The Army Management Structure (AMS) "defines the accounting codes for Programs 2 and 8 mentioned above. Program 2 includes; "operation and maintenance of all Army organizational equipment and facilities;...training..." Code 202313.92000 applies to all Combat Engineer Units; Code

208011.0000 is for JCS directed and coordinated exercises. 208011.0000 accounting code states "Incremental costs of those strategic mobility, CINC-directed, and minor exercises directed by or coordinated with the JCS over normal operation costs for the exercise period." These funds would be used to defray Service costs attributable to participation in a JCS exercise; i.e., costs " over and above" normal training costs at the units home installation (those costs for engineer units covered by Code 202313.92000). Program 8, "Training, Medical and Other Personnel Activities", is the O&MA account used to fund training support for units and installations. Account 819731.00000, "Training Support to Units" is applicable for the procurement of training aids, devices necessary to maintain unit proficiency; i.e., specialized equipment for engineer mission training (bridging, expedient airfield matting, etc.) These funds are not normally directly related to training construction activities.

AR 350-28, "Army Exercises", states "The Army's training goal is to develop a combat ready force...Army participation in exercise is designed to enhance the Army's training goal." Objectives for Army participation in exercises include..."supporting unified and specified commanders...". The ODCSOPS Director of Training will manage the Army portion of JCS exercise funds (OMA, Program P2M, Program element (PE) 208011). These funds "will be provided to meet expenses incurred by Army forces in connection with the planning, conduct and evaluation of JCS exercises over and above normal daily operating costs of the units and activities involved." These are incremental costs. "Normal OMA training funds and other appropriations may be expended in support of JCS exercises." (E-5c) "Army JCS exercise funds can be used or POL, repair parts, expendable supplies, and contract support." (E-5e) Appendix J, Obligations Chargeable to Army JCS Exercises, indicates, for example, the following as being properly chargeable: POL, Packing/crating for equipment, legal procurement of nonstock funded items, costs of stock funds issues on a net cost basis and other mission essential incremental costs. Improperly chargeable items include; pay and allowances, personal services, repair parts and other activities that would be considered normal unit costs. Specifically prohibited is "Permanent or Semipermanent construction...However...costs of certain minor and temporary construction required for an exercise may be charged under special circumstances when authorized by the exercise directive." (J-2k) Exercises conducted in SOUTHCOM have been preceded by exercise directives specifically identifying temporary construction activities.

QUESTIONS SUBMITTED BY SENATOR SASSER

Fort Huachuca

Question. In the justification it is noted that the civilian personnel strength at Fort Huachuca has been decreased from 4,191 last year to 3,523 this year. Please explain specifically what actions have been taken which resulted in such a large reduction in civilian personnel?

Answer. The civilian end strength as reported "as of 30 September 1982", was incorrect. That data erroneously included

NAF and Commissary employees. The correct figure for permanent civilian "as of 30 September 1982", is 3,801. The data also included 136 summer hires and 50 temporary employees. The civilian permanent strength at Fort Huachuca did not substantially change between end of FY 82 and FY 83.

Question. Why are there 158 less officers attending the Army Intelligence School as of September 1983, as compared to September 1982?

Answer. The data shows 416 student officers "as of September 1982", and 574 student officers "as of September 1983. That is an increase of 158 student officers.

The data is a reflection of increased requirements for officers in the Military Intelligence force structure. The force structure changes included conversion of two Military Intelligence Groups and various TDA/TOE adjustments.

QUESTION: Since the number of students are down, why should the committee approve the general instruction building and the library which has been requested?

ANSWER: The annual counterintelligence training requirement goes from 750 in FY 84 to 1,300 in FY 85 with a total number of students trained at Ft. Huachuca each fiscal year increasing from 4,557 in FY 83 to 6,816 in FY 85. The general instruction building also can be justified on two other bases. One is that the Senate Committee on Armed Services, in its Report No. 97-440 on the Fiscal Year 1983 Department of Defense Military Construction Authorization Bill to accompany S.2486, requested that the Military Services develop plans to eliminate World War II temporary facilities from their inventory by 1990. The training to be conducted in the general instruction building now takes place in 16 substandard converted WWII hospital wards. The second basis, in addition to increased student load, for approving this building is that the Army is committed to improving the Quality of Life. The replacement of 16 temporary buildings with one designed for instruction will improve training efficiency and working and learning conditions, thereby improving military readiness. The library project would support the entire Ft. Huachuca military population of 7,181 (FY 85 - FY 87), which is expected to remain relatively constant. One World War II building currently in use by the library system processing section would be demolished.

QUESTION: What is the status of the runway construction?

ANSWER: Current status of runway construction at Fort Huachuca is as follows:

Notice-to-proceed issued - 13 October 1983
Scheduled Completion Date - 18 August 1985
Scheduled Percentage of Construction Progress - 11.5%
Actual Percentage of Construction Progress - 15%

QUESTION: Provide for the record a copy of the 1391 and the 1390 for this project which was submitted to Congress when the project was approved.

ANSWER: A copy of the DD Forms 1390 and 1391 for the Fort Huachuca Runway Project is provided.

1. COMPONENT ANG	FY 1983 GUARD AND RESERVE MILITARY CONSTRUCTION	2. DATE 17 Nov 82
3. INSTALLATION AND LOCATION Libby AAF, Ft Huachuca, AZ		4. AREA CONSTR COST INDEX

5. FREQUENCY AND TYPE OF UTILIZATION

6. OTHER ACTIVE/GUARD/RESERVE INSTALLATIONS WITHIN 25 MILE RADIUS

7. PROJECTS REQUESTED IN THIS PROGRAM

CATEGORY CODE	PROJECT TITLE	SCOPE	COST ($000)	DESIGN STATUS START	DESIGN STATUS COMPLETE
111-111	Runway/Taxiway/Apron	330,000SY	28,000	1/82	1/83

8. STATE RESERVE FORCES FACILITIES BOARD RECOMMENDATION

11 Aug 82
(Date)

Unilateral Construction

9. LAND ACQUISITION REQUIRED

0
(Number of Acres)

10. PROJECTS PLANNED IN NEXT FOUR YEARS

By Tactical Air Command

Approach Lighting System

Instrument Landing System

DD FORM 1 DEC 76 1390s
Page 1 of 2

PREVIOUS EDITIONS MAY BE USED INTERNALLY UNTIL EXHAUSTED

PAGE NO.

1 COMPONENT ANG	FY 1983 GUARD AND RESERVE MILITARY CONSTRUCTION	2 DATE 17 Nov 82

3. INSTALLATION AND LOCATION

Libby AAF, Ft Huachuca, AZ

11. PERSONNEL STRENGTH AS OF

	PERMANENT				GUARD RESERVE		
	TOTAL	OFFICER	ENLISTED	CIVILIAN	TOTAL	OFFICER	ENLISTED
AUTHORIZED							
ACTUAL							

12. RESERVE UNIT DATA

N/A

	STRENGTH	
UNIT DESIGNATION	AUTHORIZED	ACTUAL

13. MAJOR EQUIPMENT AND AIRCRAFT

N/A

TYPE	AUTHORIZED	ASSIGNED

PREVIOUS EDITIONS MAY BE USED INTERNALLY
UNTIL EXHAUSTED
WB-PP-Np 77

1. COMPONENT ANG	FY 1983 MILITARY CONSTRUCTION PROJECT DATA	2. DATE 17 Nov 82

3. INSTALLATION AND LOCATION Libby AAF, Ft Huachuca, AZ	4. PROJECT TITLE Runway/Taxiway/Apron

5. PROGRAM ELEMENT	6. CATEGORY CODE 111-111	7. PROJECT NUMBER	8. PROJECT COST ($000) 28,000

9. COST ESTIMATES

ITEM	U/M	QUANTITY	UNIT COST	COST ($000)
Runway/Taxiway/Apron	SY	451,000	42.42	19132
Supporting Facilities				6265
Runway Lighting & Vasi	LS			(775)
Overruns	SY	(37,222)	(27.00)	(900)
Shoulders	LS			(1290)
Roads	LS			(350)
Gas Line	LS			(50)
Drainage	LS			(2340)
A/C Arresting System	LS			(560)
Subtotal				25397
Contingency (5%)				1270
Total Estimated Contract Cost				26667
Supervision, Inspection & Overhead (5%)				1333
Total Project Cost				28000
Installed Equipment Other Appropriations				(450)

10. DESCRIPTION OF PROPOSED CONSTRUCTION

All civil, structural, and electrical work necessary to construct runway. Work includes runway, taxiway, apron, permanent aircraft arresting system, runway edge lights and VASI.

11. REQUIREMENT: 451,000 SY ADEQUATE: 0 SY SUBSTANDARD: 0 SY

PROJECT: Construct runway, overruns, taxiway and apron.

REQUIREMENT: Construction of 12,000 ft runway at Libby AAF is required for satellite operations by both the Air Force and the Air National Guard. It will reduce overflights over the city of Tucson, and thereby reduce potential hazards due to the close proximity to the city of Tucson of both Tucson International Airport and Davis-Monthan AFB.

CURRENT SITUATION: A recent aircraft accident occurring in a heavily populated area of Tucson, near the University of Arizona, has highlighted the training missions of the Air Force & Air National Guard and brought pressure to reduce or eliminate to the maximum degree possible overflights of the city. Construction of a 12,000 ft runway at Libby AAF will permit the Air Force to transfer the majority of its training flights.

IMPACT IF NOT PROVIDED: If not provided, continued pressure will be put on both the Air Force and the Air National Guard to reduce or eliminate flying operations and the potential for aircraft accidents in the congested Tucson area will continue to exist.

QUESTION: Provide 1391's for the record for each fiscal year 1986 project identified on page 670 of the justifications.

ANSWER: DD Forms 1391 are provided for FY 86 projects at Ft. Huachuca.

1. COMPONENT ARMY	FY 1986 MILITARY CONSTRUCTION PROJECT DATA	2. DATE 2 Apr 84

3. INSTALLATION AND LOCATION Fort Huachuca, Arizona	4. PROJECT TITLE Communications-Electronic Test Facility

5. PROGRAM ELEMENT 35896A	6. CATEGORY CODE 317	7. PROJECT NUMBER B614-159	8. PROJECT COST ($000) 3,500

9. COST ESTIMATES

ITEM	U/M	QUANTITY	UNIT COST	COST ($000)
Primary Facility				2,312
Communications/Electronics Building	SF	30,000	73.50	(2,205)
Solar	SF	30,000	3.57	(107)
Supporting Facilities				815
Electric Service			LS	(162)
Water, Sewer, Gas			LS	(28)
Fencing			LS	(36)
Paving, Walks, Curb & Gutter			LS	(209)
Storm Drainage			LS	(100)
Site Improvement			LS	(95)
Communications			LS	(185)
Subtotal				3,127
Contingency (5%)				156
Total Contract Cost				3,283
Supervision, Inspection & Overhead (5.5%)				181
Total Request				3,464
Total Request (Rounded)				3,500
(Installed Equipment - Other Appropriations)				

10. Description of Proposed Construction

Construction of a communications-electronics test building. Work to include all necessary utilities services including special electrical ground, paving, secure computer terminals facilities, fire protection system, vaults for classified equipment, installation of intrusion detection systems, security fencing, communications and site improvements. Provisions for the handicapped. Heating and air conditioning with self contained unit. Air Conditioning - 100 tons.

11. REQUIREMENT: 30,000 SF Adequate: None Substandard: 26,341 SF

PROJECT: Construct a building to provide a communications-electronics test and evaluation facility for the Electronic Proving Ground at Fort Huachuca, Arizona.

REQUIREMENT: This project is required to provide adequate facilities to meet expanding urgent requirements relating to the test and evaluation of complex communications, command and control, electronics and intelligence systems, and crypto devices.

CURRENT SITUATION: The US Army Electronic Proving Ground (USAEPG) now occupies portions of two permanent buildings which lack sufficient space and facilities for new mission functions and installation of new instrumentation. This lack of space impedes the effective and efficient accomplishment of the

1. COMPONENT ARMY	FY 1986 MILITARY CONSTRUCTION PROJECT DATA	2. DATE 2 Apr 84

3. INSTALLATION AND LOCATION

Fort Huachuca, Arizona

4. PROJECT TITLE	5. PROJECT NUMBER
Communications-Electronic Test Facility	B614-159

11. REQUIREMENT: (Continued)

CURRENT SITUATION: (Continued)
test and evaluation mission. Existing buildings are subject to vibration, lack protective shielding and filtered power lines and cannot provide minimum environmental controls necessary for simulating testing environments. Present space vacated will be retained for other purposes. No other suitable buildings on the installation are available to satisfy this requirement.

IMPACT IF NOT PROVIDED: If the project is not approved, USAEPG will be forced to relocate some activities, resulting in further decentralization, testing delays and waivers, with subsequent fielding of inadequately tested systems. The FY 82-86 USAEPG programmed workload is increasing as highly sophisticated and complex communications-electronics systems are scheduled for testing. This will result in overstressing existing workspace and severely degrade efficiency and effectiveness. Disapproval of this project will also result in delaying planned development of the system control portion of an approximately $150 million test capability development program which can fully evaluate communications-electronics and more specifically command, control support systems that are now under development. The resulting.time extensions, program slippages and high risk exclusons from test requirements will adversely affect mission accomplishment of the USAEPG at Fort Huachuca.

1. COMPONENT ARMY	FY 19 86 MILITARY CONSTRUCTION PROJECT DATA	2. DATE 2 Apr 84

3. INSTALLATION AND LOCATION Fort Huachuca, Arizona	4. PROJECT TITLE Medical Supply Warehouse

5. PROGRAM ELEMENT 35896A	6. CATEGORY CODE 442	7. PROJECT NUMBER B614-164	8. PROJECT COST ($000) 1,150

9. COST ESTIMATES

ITEM	U/M	QUANTITY	UNIT COST	COST ($000)
Primary Facility				979
Medical Supply Warehouse	SF	20,000	43.00	(860)
Solar			LS	(119)
Supporting Facilities				67
Electric Service			LS	(7)
Water, Sewer, Gas			LS	(5)
Paving, Walks, Curb & Gutter			LS	(4)
Site Improvement			LS	(9)
Communications			LS	(42)
Subtotal				1,046
Contingency (5%)				52
Total Contract Cost				1,098
Supervision, Inspection & Overhead (5.5%)				60
Total Request				1,158
Total Request (Rounded)				1,150
Installed Equipment - Other Appropriations				

10. Description of Proposed Construction

Construction of a permanent medical supply warehouse complete with platform, loading ramps and canopies. Work to include all required utilities services, fire protection, refrigerated storage with remote temperature control, communications and site improvements. Heating plant will be gas-fired. Heating and cooling with self-contained systems. Air conditioning - 50 tons.

11. REQUIREMENT: 20,000 SF Adequate: None Substandard: 16,587 SF

PROJECT: Construct a medical supply and equipment warehouse enjoined or adjacent to Raymond W. Bliss Army Community Hospital, Fort Huachuca, Arizona.

REQUIREMENT: This project is required to provide an adequate, permanent medical warehouse for housing medical materiel maintained by the Installation Medical Supply Activity (IMSA).

CURRENT SITUATION: The IMSA is responsible for total installation medical supply support including receiving, storing, assuring quality, issuing and disposing of medical care support materiel as required by 72 Medical Department Activity (MEDDAC) organizational elements, 43 installation customers and other units of activities located throughout the state of Arizona. The IMSA manages 6,000 line items and maintains in excess of 1,350 line items in stock. This inventory, which is increasing on a rapid basis, includes highly sensitive

1. COMPONENT ARMY	FY 19 86 MILITARY CONSTRUCTION PROJECT DATA	2. DATE 2 Apr 84
3. INSTALLATION AND LOCATION Fort Huachuca, Arizona		
4. PROJECT TITLE Medical Supply Warehouse		5. PROJECT NUMBER B614-164

CURRENT SITUATION: (Continued)
items such as narcotics, controlled drugs and syringes, potency dated and shelf-life drugs requiring various environmental storage conditions, hospital linen, dressings, and surgical instruments. The existing medical warehouses are located in substandard temporary World War II mobilization buildings, situated three (3) miles from the hospital and dental clinics. This separation of warehouse functions has increased operational costs and reduced effective materiel handling and quality assurance. The buildings being utilized are of wood frame construction, deteriorated with age, and lacking required marginal load bearing capacity to support use of materiel handling equipment. Controlled narcotics and flammable items cannot be stored overnight since floors will not support a security vault and security of buildings is suspect. Buildings do not have adequate square footage for inventory levels and lack holding areas for receiving and shipping materiel and equipment. The buildings do not have the necessary environmental controls (outdated heating and cooling systems) for proper storage of medical materiel such as potency dated and shelf-life drugs. Lack of standby generator power and the resulting power outages have resulted in destruction of critically needed refrigerated and frozen supplies on various occasions. No other facilities exist at Fort Huachuca to satisfy these requirements.

IMPACT IF NOT PROVIDED: The temporary warehouse buildings will remain in violation of current fire, safety and OSHA regulations as well as DOD security, property accountability and authorization regulations. Present costly, inadequate and unsatisfactory warehouse operations will worsen to the detriment of hospital patient care and mission accomplishment.

1. COMPONENT ARMY	FY 19 86 MILITARY CONSTRUCTION PROJECT DATA	2. DATE 2 Apr 84

3. INSTALLATION AND LOCATION Fort Huachuca, Arizona	4. PROJECT TITLE Aircraft Parking Apron

5. PROGRAM ELEMENT 35896A	6. CATEGORY CODE 113	7. PROJECT NUMBER B614-168	8. PROJECT COST ($000) 3,300

9. COST ESTIMATES

ITEM	U/M	QUANTITY	UNIT COST	COST ($000)
Primary Facility				2,994
Site Preparation	SY	91,640	2.15	(198)
Earthwork-Excavation & Compaction	SY	68,165	2.64	(180)
Drainage			LS	(48)
Flex Pavement			LS	(65)
Rigid Pavement			LS	(2,503)
Subtotal				2,994
Contingency (5%)				150
Total Contract Cost				3,144
Supervision, Inspection & Overhead (5.5%)				173
Total Request				3,317
Total Request (Rounded)				3,300
Installed Equipment - Other Appropriations				

10 Description of Proposed Construction

Construction of a permanent aircraft parking area of rigid concrete. Work includes removal of existing peneprime/sealcoat surface, installation of storm drain, and construction of 82,478 SY of concrete parking apron. Existing-tie downs and nine existing concrete pads to remain.

11. REQUIREMENT: 137,782 SY Adequate: 55,304 SY Substandard: 82,478 SY

PROJECT: This project will provide for demolition and resurfacing of 82,478 SY of apron and improvement of storm drainage.

REQUIREMENT: This project is required to provide parking facilities for tenant and transient aircraft at Libby Army Airfield. Resurfacing is required now due to deterioration of the existing surface and subgrade. Libby Army Airfield has assigned five Fixed Wing (C12/U21), ten Fixed Wing (OV1) and eleven Rotary Wing (UH1/OH58) military aircraft. Fort Huachuca is a Class A airfield which averages 700 - 800 movements per month. Adequate parking is required for up to 40 aircraft during annual exercises conducted at Fort Huachuca.

CURRENT SITUATION: The current situation is hazardous to aircraft operations and has the potential for loss of aircraft and life due to engine failure in flight resulting from ingestion of deteriorating apron. The present surface is deteriorating rapidly breaking up into small chunks that are easily ingested

1. COMPONENT ARMY	FY 1986 MILITARY CONSTRUCTION PROJECT DATA	2. DATE 2 Apr 84

3. INSTALLATION AND LOCATION

Fort Huachuca, Arizona

4. PROJECT TITLE Aircraft Parking Apron	5. PROJECT NUMBER B614-168

11. REQUIREMENT: (Continued)

CURRENT SITUATION: (Continued) into OV1 or C12 turbine engines. An OV1 engine replacement is $201,827.00. Four engines have required compressor section repair due to foreign object damage in the past 12 months. Propeller erosion at Libby is excessive due to the apron condition. Propeller replacement cost for OV1 aircraft is $40,082.00. Helicopters cannot be parked on 75% of the apron area because the surface will not support the skids without further damage to the surface. The ramp surface is unuseable to C-130 and larger aircraft required for tactical movement. Taxiways have to be used for loading which blocks and slows all aircraft movements on the airfield. Temporary repairs have been inadequate and markers used to identify the larger holes are in themselves a hazard to aircraft.

IMPACT IF NOT PROVIDED: Continued use of this substandard, deteriorated parking apron will endanger personnel, increase the potential damage to aircraft engines and propellers, limit tactical exercises involving helicopters and adversely affect mission accomplishment at Libby Army Airfield.

1. COMPONENT ARMY	FY 1986 MILITARY CONSTRUCTION PROJECT DATA	2. DATE 2 Apr 84

3. INSTALLATION AND LOCATION Fort Huachuca, Arizona	4. PROJECT TITLE Communications Measurement Test Facility

5. PROGRAM ELEMENT 35896A	6. CATEGORY CODE 131	7. PROJECT NUMBER B614-172	8. PROJECT COST ($000) 5,000

9. COST ESTIMATES

ITEM	U/M	QUANTITY	UNIT COST	COST ($000)
Primary Facility				3,843
Communications Measurement Test Facility	SF	39,360	94.35	(3,714)
Solar			LS	(129)
Supporting Facilities				607
Electric Service			LS	(40)
Water, Sewer, Gas			LS	(39)
Paving, Walks, Curb and Gutter			LS	(112)
Storm Drainage			LS	(12)
Site Improvement			LS	(39)
Communications			LS	(365)
Subtotal				4,450
Contingency (5%)				223
Total Contract Cost				4,673
Supervision, Inspection & Overhead (5.5%)				257
Total Request				4,930
Total Request (Rounded)				5,000
Installed Equipment - Other Appropriations				

10 Description of Proposed Construction

Construction of a permanent building to include all required utilities services, seismic analysis, paving, storm drainage, fire protection system, communications and site improvements. Heating and cooling to be provided by a self-contained gas-fired heating plant. Accessibility for the handicapped will be provided. Air conditioning with self-contained system 120 tons.

11. REQUIREMENT: 97,634 SF Adequate: 58,274 SF Substandard: 31,486 SF

PROJECT: Construct a Communications Measurement, Engineering and Test Facility at Fort Huachuca, Arizona.

REQUIREMENT: This project is required to provide the US Army Communications-Electronics Engineering Installation Agency (USACEEIA) with a building that will have suitable working space for engineer/professional employees and technicians, adequate security for high-dollar-cost and sensitive equipment and allow consolidation of Agency elements.

CURRENT SITUATION: The USACEEIA engineers install, test and perform quality assurance functions for new and modified communications-electronics systems, facilities and equipment world-wide, as well as being the principal Army provider of electromagnetic compatibility and radio propagation technical

1. COMPONENT ARMY	FY 1986 MILITARY CONSTRUCTION PROJECT DATA	2. DATE 2 Apr 84
3. INSTALLATION AND LOCATION Fort Huachuca, Arizona		
4. PROJECT TITLE Communications Measurement Test Facility		5. PROJECT NUMBER B614-172

11. REQUIREMENT: (Continued)
CURRENT SITUATION: (Continued)
services to other Federal agencies and foreign governments. One major element (Electromagnetics Engineering Office) and five Division/Branches of three other Directorates now occupy twelve (12) scattered World War II temporary wooden buildings located over three (3) miles from the Agency software support center headquarters. These deteriorated buildings have inadequate functional layout and space for ADP equipment, poor acoustics, and substandard environmental controls necessary to ensure full use of electronic technology. The dispersion factor and structural character of these temporary buildings has made adequate security for equipment and classified documents nearly unattainable. No other facilities exist at this installation to satisfy this requirement. The existing buildings will be demolished upon completion of this project.
IMPACT IF NOT PROVIDED: Equipment and storage items will continue to deteriorate and be subject to theft if they remain in insecure structures with inadequate environmental controls. Productivity will remain low due to decentralization of activities. The decline in retention and recruitment rates of qualified personnel due to substandard working conditions will jeopardize timely integration or upgrade of communications-electronics systems and adversely affect mission accomplishment of the USACEEIA at Fort Huachuca.

Fort Huachuca PN 185, Roof Insulation, does not qualify for ECIP funding. ECIP criteria requires a project have a 15 year life cycle cost savings to investment ratio (SIR) equal to or greater than unity. The SIR for this project is 0.91. Additionally, the simple amortization period is 14.4 years which is greater than the 10 year amortization limit acceptable to the DOD Comptroller.

1. COMPONENT ARMY	FY 19 86 MILITARY CONSTRUCTION PROJECT DATA	2. DATE 2 Apr 84

3. INSTALLATION AND LOCATION Fort Huachuca, Arizona	4. PROJECT TITLE Operations Building

5. PROGRAM ELEMENT 22611A	6. CATEGORY CODE 141	7. PROJECT NUMBER B614-188	8. PROJECT COST ($000) 2,250

9. COST ESTIMATES

ITEM	U/M	QUANTITY	UNIT COST	COST ($000)
Primary Facility				1,696
Operations Building	SF	14,786	109.77	(1,623)
Solar Plant Expansion			LS	(73)
Supporting Facilities				314
Electric Service			LS	(96)
Water, Sewer, Gas			LS	(3)
HTW/CHW Distribution			LS	(28)
Paving, Walks, Curb & Gutter			LS	(92)
Storm Drainage			LS	(3)
Site Improvement (22) Demolition (4)			LS	(26)
Communications			LS	(66)
Subtotal				2,010
Contingency (5%)				100
Total Contract Cost				2,110
Supervision, Inspection & Overhead (5.5%)				116
Total Request				2,226
Total Request (Rounded)				2,250
Installed Equipment - Other Appropriations				(0)

10 Description of Proposed Construction

Construction of a permanent building to house the Joint Service All Source Analysis System (ASAS) Post Deployment Software Support (PDSS) Facility of which the Army is the executive agent. Work to include raised computer floor, all required utilities, paving, communications, fire protection, security equipment and safeguards and site improvements. Heating and cooling by the expansion of the existing central energy plant. Accessibility for the handicapped will be provided. Air conditioning - 180 tons.

11. REQUIREMENT: 14,786 SF Adequate: None Substandard: None

PROJECT: Construct a building to house the All Source Analysis System (ASAS) Post Deployment Software Support (PDSS) Facility at Fort Huachuca, Arizona.

REQUIREMENT: This project is required to provide adequate space for the following organizations: The Joint Tactical Fusion Program Management Office (JTFPMO), the Simulation Systems Management Office (SSMO), and the Combat Development Support Office (CDSO), Directorate of Combat Developments (USAICS).

CURRENT SITUATION: The requirement for this facility is identified in the Post Deployment Software Support (PDSS) Concept Plan for Battlefield Automated Systems (BAS), HODA, May 1980, which states that the ASAS PDSS Center will be

1. COMPONENT ARMY	**FY 1986 MILITARY CONSTRUCTION PROJECT DATA**	2. DATE 2 Apr 84

3. INSTALLATION AND LOCATION
Fort Huachuca, Arizona

4. PROJECT TITLE
Operations Building

5. PROJECT NUMBER
B614-188

11. REQUIREMENT: (Continued)
CURRENT SITUATION: (Continued)

established at Fort Huachuca, Arizona. The three organizations, (JTFPMO, SSMO & CDSO), to be included in this facility are now separated geographically. The JTFPMO currently occupies a suite at the Harry Diamond Laboratories in Adelphi, Maryland. The CDSO and the SSMO are both USAICS organizations and currently occupy facilities at Fort Huachuca. The buildings housing these two organizations at Fort Huachuca lack sufficient space for needed ADP hardware and do not meet security requirements for a Special Intelligence/Special Activities Office (SI/SAO) facility. Secure administrative, analytical and ADP equipment areas are mandated for organizations working on the software development and maintenance of the ASAS as well as other Intelligence/Electronic Warfare Systems. The proposed facility will allow efficient management and coordination among these software development offices. ASAS deployment is scheduled for FY 86. No other facilities are available on-post to satisfy this requirement.

IMPACT IF NOT PROVIDED: The ASAS PDSS Center will not be established at Fort Huachuca, to the detriment of the Army intelligence mission and readiness posture.

PREVIOUS EDITIONS MAY BE USED INTERNALLY UNTIL EXHAUSTED

1. COMPONENT ARMY	FY 1986 MILITARY CONSTRUCTION PROJECT DATA	2. DATE 2 Apr 84
3. INSTALLATION AND LOCATION Army Installations, Various Locations		
4. PROJECT TITLE Projects $1.0 Million and Less		5. PROJECT NUMBER Various

STATION	PROJECT TITLE	COST ($000)
Arizona		
Fort Huachuca (PN 193)	Modified Defense Test Range	730

This project is required to provide a Modified Defense Test Range with Infantry Remote Target System (IRETS) for evaluating the individual soldier's ability to correctly track, lead and engage moving targets and to engage multiple targets in a time constrained training environment. The existing Record Fire and Field Fire Ranges are equipped with target devices that are outdated, unreliable and require disproportionate repair resource expenditures resulting in reduced cost effectiveness and loss of valuable training time. This range will serve the 11th Signal Brigade which has a rapid deployment mission and must maintain a continuous Personnel Overseas Requirement (POR) qualification program, the U.S. Army Intelligence Center and School, other tenant units and 8-10,000 Reservists training at Fort Huachuca. Without this facility, units at Fort Huachuca cannot be properly evaluated for rifle qualification. The resulting reduction in the soldier's ability to qualify for reenlistment, and fulfill his training requirements will adversely affect deployment during mobilization.

QUESTION: What construction has been undertaken in the last two years at the Fort Huachuca facility or the Libby Army Airfield which was accomplished with O&M or other funds of the Department of Defense, the Army or of any other US Government agency. (Provide classified response as necessary.)

ANSWER: The following is a list of projects authorized for construction at Fort Huachuca/Libby AAF in the last two fiscal years:

FY	TYPE FUNDS	PROJECT TITLE	AMOUNT
83	MCA	Child Care Center	$ 2,600,000
	MCA	Electromagnetic Test Facility	4,950,000
	MCNG	Runway/Taxiway/Apron	28,000,000
	FAA*	Apron Improvement and Construction, Taxiway and Accessway Construction	437,000
84	AFH	Family Housing Energy Conservation	661,000
	AFH	Family Housing Energy Conservation	2,019,000
	MCA	Warehouse	600,000
	MCA	Training Facility	650,000
	MCA	Brigade Headquarters	1,500,000

* Funds authorized by Airport and Airway Improvement Act.

No other significant construction has been undertaken using funds other than those indicated in the list above.

QUESTION: Within 50 miles of Fort Huachuca, has the DOD, the Army, or any other US Govt agency, leased space in the last two years? Provide the date of the lease, the description of the facility, and an explanation of how each lease conforms to the mission of Ft Huachuca and a description of the work carried out at each location. (Provide classified response, as necessary).

ANSWER: The following are the DOD, Army, and other U. S. Government leases of building space within fifty road miles of Fort Huachuca, Arizona:

1. Location: Sierra Vista, Arizona
   Using Service: Department of the Army
   Type of Space: Office (2,986 square feet)
   Purpose: Planning activities by Advanced System Concepts Office Forward Thinker Group)
   Term of Lease: January 1983 - September 1984
   Relation to Ft. Huachuca Mission: This is a Department of the Army planning group which would be situated on Fort Huachuca if adequate facilities were available.
2. Location: Sierra Vista, Arizona
   Using Service: Department of the Army
   Type of Space: Armed Forces Recruiting Center
   Purpose: Recruiting activities of the Army, Navy, Marine Corps, and Air Force (1,800 square feet)
   Term of Lease: February 1982 - January 1985
   Relation to Ft. Huachuca Mission: None
3. Location: Sierra Vista, Arizona
   Using Service: U. S. Forest Service

Type of Space: Office and warehouse (7,150 square feet)
Purpose: Administration of national forest activities in southeastern Arizona.
Term of Lease: April 1979 - March 1984
Relation to Ft Huachuca Mission: None

4. Location: Benson, Arizona
Using Service: Farmers Home Administration
Type of Space: Office (681 square feet)
Purpose: Administration of Farmers Home Administration programs
Term of Lease: October 1983 - September 1984
Relation to Ft Huachuca Mission: None

QUESTION: Detail each activity by date and description that Fort Huachuca, Libby Army Airfield or U.S. leased facilities have been used to participate in any activity of the U.S. Southern Command in the last two years.

a. At present.

b. In the next two years.

(Provide classified response as necessary)

ANSWER: a. LAST TWO YEARS: No known involvement until August 83. Chronological list including USACC assets deploying out of nearest Major Airfield, Davis-Montham AFB (DMAFB) is as follows:

[Deleted.]

b. PRESENT: C130 requested to rotate 85 personnel and on-essential equipment

c. FUTURE:

QUESTION: What roles does Fort Huachuca play in JCS approved contingency plans for El Salvador, Honduras, Nicaragua. (Provide classified response.)

[Deleted.]

QUESTION: The Army is requesting $19 million to triple ammunition storage at Fort Polk, Louisiana. What type and quantity of ammunition will be stored at the facility?

ANSWER: The 22 magazine requirement will provide active (AC) and reserve component (RC) basic load and training ammunition as follows:

Ammunition Basic Load		STONS	CUBIC FT
Under 60 caliber	AC	1,725	
	RC	433	
Over 60 caliber including tank and artillery ammunition	AC	1,340	
	RC	336	
	Subtotal	3,834	19,224
Training Munitions			
Under 60 caliber	AC	2,575	
	RC	650	
Over 60 caliber to include demolitions, grenades, and smokepots	AC	18,373	
	RC	4,600	
	Subtotal	26,198	226,385
	Grand Total	30,032	245,609

QUESTION: Why is there a need to triple existing storage space?

ANSWER: It is necessary to resite the storage area and replace WWII vintage facilities, many of which have been condemned. The project will provide facilities not now existing to support training and readiness of the modernized 5th Mechanized Infantry Division, National Guard, and Army Reserve units. Numerous operational, storage, safety, and security deficiencies exist with the current facilities. The function is now operating under many safety waivers to include outside storage of tanks and artillery ammunition, catastrophic failure of some old bunders has been experienced. Location of current ammunition supply point is undesirable due to remoteness from the railhead and its proximity to the airfield approach/departure flightpath which poses a safety hazard.

Facilities are not designed to handle modern munitions and associated materials handling equipment. In the siting and sizing of magazines explosive quantity and distance is a key factor as well as the requirement to maintain lot integrity, accessibility, and compatibility.

QUESTION: How is this project related to Central American contingency plans?

ANSWER: It does not. The construction requested will provide a much needed permanent ammunition storage capability to adequately handle Fort Polk's local basic load and training requirement. Some support may be provided to Navy and Marine Corps reserve units, the U. S. Treasury Department, and the Army Corps of Engineers Waterways Experiment Station, Vicksburg, Mississippi.

QUESTION: $10 million is requested for a maintenance facility for 36 new helicopters to be assigned to an attack helicopter battalion, what type helicopter will be located here? When will they arrive?

ANSWER: The unit will receive the AH-1 helicopter to be distributed during the fourth quarter FY 86.

QUESTION: What mission is assigned to the attack helicopter battalion in JCS approved ontingency plans for Central America?

ANSWER: No mission is assigned. Until a unit is activated, it will not be troop listed against any contingency plans.

QUESTION: Provide for the record the 1391 for the Tactical Equipment Shop in the fiscal year 1986 program.

ANSWER: DD Form 1391 is provided for Project Number 245, Maintenance Facility, with a project cost of $13,600,000. The project title was recently changed from Tactical Equipment Shop as reflected on the the DD Form 1390 in the FY 85 justification.

1. COMPONENT ARMY	FY 1986 MILITARY CONSTRUCTION PROJECT DATA	2. DATE 2 Apr 84

3. INSTALLATION AND LOCATION Fort Polk, Louisiana	4. PROJECT TITLE Maintenance Facility

5. PROGRAM ELEMENT 22611A	6. CATEGORY CODE 214	7. PROJECT NUMBER B406-245	8. PROJECT COST ($000) 13,600

9. COST ESTIMATES

ITEM	U/M	QUANTITY	UNIT COST	COST ($000)
Primary Facility				9,661
Vehicle Maintenance Organizational	SF	13,560	84.00	(1,139)
1st Bde Spt DS Mtc	SF	66,169	75.00	(4,963)
Deploy Storage Building	SF	2,800	39.00	(109)
Dispatcher's Office (195 SF)	EA	2	22,000	(44)
POL Storage (300 SF)	EA	4	33,000	(132)
See Cost Estimates (Continued)			LS	(3,274)
Supporting Facilities				2,567
Electric Service			LS	(79)
Water, Sewer, Gas			LS	(390)
Fencing			LS	(57)
Paving, Walks, Curb & Gutter, POV Parking & Road			LS	(549)
Storm Drainage			LS	(128)
Site Improvement (803) Demolition (454)			LS	(1,257)
Communications			LS	(70)
Waste Oil UG Storage			LS	(37)
Subtotal				12,228
Contingency (5%)				611
Total Contract Cost				12,839
Supervision, Inspection & Overhead (5.5%)				706
Total Request				13,545
Total Request (Rounded)				13,600
Installed Equipment - Other Appropriations				(0)

10. Description of Proposed Construction

Construction of a Forward Support Maintenance Complex consisting of an Organizational Maintenance Building, Direct Support Maintenance Building, Arms Storage Vault, POL Storage, Deployment Storage, Dispatcher's Office, Fuel Dispensing Facility, Scheduled Maintenance Platforms & Oil/Water Separators. Upgrade existing Michigan Avenue for tracked vehicle traffic to include a new bridge structure. Project work to include all required utilities services, paving, storm drainage, waste oil underground storage, fencing, high pressure sodium vapor lighting, communications and site improvements. Heating and domestic hot water will be provided by a new dual fueled system (gas & fuel oil). Demolition of twenty-five (25) temporary buildings - (118,222 SF) and 8,700 SY of pavement. Air conditioning by new central plant - 60 tons.

11. REQUIREMENT: 263,248 SF Adequate: 115,320 SF Substandard: 102,905 SF

PROJECT: Construct a Forward Support Maintenance Complex at Fort Polk, Louisiana.

REQUIREMENT: This project is required to provide Organizational and Direct Support Maintenance Facilities for the 22 tracked vehicles, 284 wheeled vehicles, 18 POL vehicles and 119 trailers assigned to the Forward Support

1. COMPONENT ARMY	FY 19 86 MILITARY CONSTRUCTION PROJECT DATA	2. DATE 2 Apr 84
3. INSTALLATION AND LOCATION Fort Polk, Louisiana		
4. PROJECT TITLE Maintenance Facility		5. PROJECT NUMBER B406-245

9. COST ESTIMATES (Continued)

Item	U/M	Quantity	Unit Cost	Cost ($000)
Primary Facility (Continued)				
Fuel Dispensing Facility (Storage, Pumps & Bldgs)			LS	170
PCC Hardstand/Apron	SY	53,463	42.50	2,272
Seismic Zone			LS	182
High Mast Lighting Metal			LS	245
Solar			LS	180
Michigan Avenue Bridging			LS	225
		TOTAL		3,274

11. REQUIREMENT: (Continued)

REQUIREMENT: (Continued) Battalion to be activated at Fort Polk in 1986. Michigan Avenue upgrade will provide direct access from maintenance compound to tank training area.

CURRENT SITUATION: Current organizational maintenance activities are performed in temporary 1941 vintage motor pool structures located at North Fort Polk, a distance of six miles from the permanent garrison at South Fort Polk and the 1ST Brigade permanent facilities. These temporary motor pools lack hardstand for tactical vehicle parking, electrical requirements to support the sophisticated test sets and equipment to maintain communications radar and weapons systems components as well as sensitive item storage area. Water pollution abatement is compromised without the benefit of storm drainage oil/water separators, hardstand and waste oil storage tanks. The upgrade of Michigan Avenue, which currently is a gravel pathway, will connect this maintenance facility to Louisiana Avenue and Command Circle Road which constitute the main tank trail areas. Use of the new Michigan Avenue will eliminate the hazards associated with transportation of tactical vehicles through troop housing areas. No other facilities exist at Fort Polk to satisfy these requirements.

IMPACT IF NOT PROVIDED: Inadequate temporary World War II facilities at North Fort Polk will be used to meet the maintenance requirements of the Forward Support Battalion. Use of these substandard facilities will result in poor quality maintenance support, excessive downtime and loss of training time. The reduction in operational effectiveness will adversely affect the readiness posture of the 5TH Infantry Division (MECH)(-).

FORT STEWART - GEORGIA

QUESTION: $4.4 million is requested for the Army National Guard for a mobilization and training site. It is stated the need is due to a large increase in combat vehicles. Please describe the numbers and type of vehicles which will be supported at this site and when the increase will be implemented.

ANSWER: The current Mobilization and Training Equipment Site facility was expanded in 1976 to support 587 various tracked combat vehicles. Since then, new missions have been added to this facility and the numbers of assigned and supported vehicles have increased. Currently there are 710 wheeled vehicles and 860 combat vehicles assigned, including: 274 tracked personnel, command and weapons carriers, 87 tanks, 120 self-propelled artillery pieces, and over 120 items of engineering equipment. The scheduled delivery of M-1 tanks, to replace most of the currently assigned M-60 tanks, has been accelerated to FY 85.

QUESTION: Many of the supported vehicles are for the Rapid Deployment Force. What role does this facility play in JCS approved contingency plans for Central America? (Provide classified answer as needed).

ANSWER: While supported vehicles assigned to the Mobilization and Training Equiment Site (MATES) are assigned to five units (two armored and three transportation) with Rapid Deployment Force missions when mobilized, neither these units, nor the facility, are assigned a role in JCS approved contingency plans for Central America.

BUNKIE - LOUISIANA

QUESTION: At Bunkie, Louisiana, you are requesting a 60-person armory at a cost of $51.44 per square foot. The area construction cost index in Louisiana is .92. At Kotzebue, Alaska, you are requesting a 60-person armory at a cost of $195.00 per square foot. The area construction cost index is $1.92 for Alaska. The area cost index for Alaska is a little more than twice as much as Louisiana, yet a 60-person armory is costing almost four times as much. Please explain why the unit cost of this facility exceeds the area construction cost index.

ANSWER: The Area Construction Cost Index cited by the question reflects the higher rate of construction anticipated at Anchorage and Fort Richardson, Alaska used by the Corps of Engineers for the development of project cost estimates. However, for construction at location in the interior of Alaska, the ACCI goes up, such as at Fairbanks, it is 2.03 and at Delta Junction, it is 2.44. The Corps of Engineers has not developed ACCI for locations north of the Arctic Circle, such as Kotzebue. The closest location the other services have developed is Point Barrow by the U.S. Navy at 3.45. The Army National Guard is the last service to award construction in the Kotzebue area. Using this experience, an ACCI of 3.50 was developed for estimating the costs for the two Kotzebue projects. It must be recognized that at this remote location, all construction equipment, materials, and most workers, must be barged or flown in during the abbreviated construction season. There are no land links between Kotzebue and the more populated areas of southern Alaska.

FLAGPOLES

QUESTION: The justification indicates that flagpoles purchased for most armory projects will cost $2,000 or $3,000 each. But at Hoovire (Harve) Montana; Clintonville, Wisconsin; and South Boston, Virginia, the flagpoles are estimated to cost $4,000. How are flagpoles processed and why should there be such a cost differential even within States?

ANSWER: A maximum of two flagpoles are authorized at armories when not constructed at sites where there is an existing flagpole. These flagpoles are procured normally under State procedures and specifications. Costs for flagpoles on project justifications are rounded to the nearest whole thousand dollar. Since this cost reflects only a programing amount and not the actual cost, there should not be the wide variation as noted between the $2,000 and $4,000 estimate. Closer attention will be given to future estimates for preventing such variations.

QUESTION: The Army Budget will increase 57 percent overseas in fiscal year 1985. This is considerably higher than the five year average increase of 30.5 percent for overseas construction projects. Why is the fiscal year 1985 rate of increase so great?

ANSWER: It is not. The fiscal year 1985 Military Construction, Army request for overseas projects is $594,120,000 which is $126,010,000, or 27 percent, greater than the fiscal year 1984 overseas appropriation request. This increase is driven by the need to: accelerate the replacement of the deplorable facilities in which our soldiers live and work in Korea; to provide secure storage for Pacific theater reserve stocks of toxic chemical munitions, and to provide facilities for the safe and environmentally acceptable disposal of obsolete toxic chemical munitions stored on Johnston Island. Public Law 91-672 prohibits the movement of these munitions to the continental United States for disposal.

QUESTION: Last year you estimated the fiscal year 1985 budget would include a 42 percent increase overseas. What projects were added during budget reviews that increased the estimated overseas expenditure?

ANSWER: Projects added to the fiscal year 1985 program during budget reviews consisted primarily of those projects which were requested in fiscal year 1984, not recommended for funding by the authorization or appropriations committees; but for which the Army still has valid requirements. These added projects, which did not increase the estimated overall overseas expenditure, include eight basic load ammunition projects and the purchase of support facilities in Germany.

Overseas

QUESTION: What percent of the Army's planning and design funds will be for projects outside the United States?

ANSWER: The Army plans to use approximately 37 percent of the $190 million planning and design funds requested for projects outside the United States. This percentage includes $14.0 million for special Army support requirements for construction programs built for U.S. forces by host nations in Europe, Japan, and Korea.

Europe

QUESTION: How much is requested for Europe and what percentage of the Army budget does that represent?

ANSWER: The Army's fiscal year 1985 budget request is for a total obligational authority of $1.9 billion. Of that total, $332,280,000 is requested for Europe, or 17.5 percent.

QUESTION: $10.2 million is requested for construction of a chemical weapons-binary munitions facility for the BIGEYE bomb. Since the Army has not requested production funds for the assembly of binary weapons in the fiscal year 1985 budget, why should this project be approved?

ANSWER: Our inability to deliver persistent chemicals beyond artillery range is still our most serious deficiency in our chemical warfare deterrence capability. The BIGEYE bomb will fill this operational void. Our request matches the intent of the FY 1984 Authorization Act which specifies that we return to Congress prior to initiation of production and links the decision to produce to progress in arms control negotiations, yet provides negotiation leverage by increasing our deterrent posture. Following the lead of the Act, we have asked only for funds to get ready to start initial production at some future time. It is a deliberate deviation from the normal full funding practice--a deviation we believe is in consonance with the FY 1984 Act. We specifically request the following funds related to the BIGEYE bomb: $11.8 million for time-sensitive equipment for the load, assemble, and pack (LAP) facility, $13.5 million for time-sensitive equipment for the QL (one of the BIGEYE chemical components) production facility, $16.7 million for a metal parts production facility (IPF), and $40 million (Air Force and Navy funds) for time-sensitive munition components of the BIGEYE bomb. Funding of the building in FY 1985 is critical to our efforts to keep the acquisition of these elements synchronized and the program on track.

QUESTION: What is the status of negotiations between the United States and the Soviet Union on the reduction of chemical weapons?

ANSWER: Bilateral US-USSR negotiations began in 1977. They concluded in July 1980 due to Soviet intransigence on verification. Since that time the only negotiations have been in the 40-nation Conference (formerly Committee) on Disarmament (CD) in Geneva. The Vice President addressed the CD in February 1983 and reinforced U.S. interest in accelerating negotiations toward a complete and verifiable ban on chemical weapons. The U.S. tabled its detailed views on the contents of a chemical weapons ban and several other papers during the 1983 CD session. In November 1983, the U.S. hosted a verification workshop at Tooele Army Depot, UT, to demonstrate its proposed verification techniques for the destruction of chemical weapons stocks. A total of 42 delegates from 26 foreign nations attended although the USSR did not.

In January 1984, Secretary of State Shultz announced in Stockholm, Sweden, that the U.S. would table a draft CW treaty in the CD. Drafting of the treaty is now underway. Consultation with NATO allies, CD members, U.S. industry and Congress will be conducted prior to submission of the treaty proposal to the CD. Tabling of the draft treaty is anticipated prior to the end of the 1984 spring session of the CD on 28 April 1984.

QUESTION: It has been reported that there are complications in the BIGEYE bomb's design. What specifically are those complications and how does that impact on the proposed production schedule?

ANSWER: The BIGEYE program was started in the 1960s, suspended in the early 1970s, and restarted in 1976. The Navy has the lead for development and is executing the program through the Naval Weapons Center (NWC), China Lake, CA. The BIGEYE program, like other development efforts, has encountered and resolved a number of design and hardware problems during its development. Problems with weapon release from the aircraft and with some components (including the hot gas motor and generator) were identified and solved without impacting the schedule and within programed resources. However, after a problem involving internal pressure build-up was surfaced in the fall of 1982, we did withdraw our request for production funds in the FY84 budget. The problem was solved in the spring of 1983. Four operational tests run during the period May through September 1983, confirmed the efficacy of the fixes.

Two recently identified problems (with the central injector and the fuze) are being resolved with no expected impact on schedule or resources.

Guided Missile Facility, Ballistic Missile Defense, Shemya, Alaska

Q: (U) $12.8 million is requested for a guided missile facility for the Ballistic Missile Defense Systems Command. What is the purpose of this facility?

A: (S) This is a missile launch complex to support the US Army Ballistic Missile Defense Advanced Technology Center's program [deleted].

Q: (U) Does this facility conform to the provisions of the ABM Treaty? Be specific in answer.

A: (S) This program is in full compliance with the ABM Treaty. The Treaty, which limits development and deployment of anti-ballistic missile (ABM) systems, defines ABM interceptors and launchers as those which are constructed and deployed for an ABM role or of a type tested in an ABM mode (Article II of the Treaty). This program does not provide the launched missile any capabilities to counter strategic ballistic missiles or their elements in flight trajectory. [Deleted] and cannot in any way be construed as an ABM SYSTEM.

Barracks

QUESTION: Last year it was reported to the Committee that the average cost of barracks inside the U.S. was $58.19 per square foot. This year barracks are requested at Fort Bragg for $48.20 per square foot, Fort Polk for $53.10, and Fort Stewart for $45.50. What accounts for the lower cost of these facilities compared to the average cost overall?

ANSWER: There are two factors which account for the lower cost of barracks at Forts Bragg, Polk, and Stewart as follows:

(1) During the past year the favorable construction market resulted in good bids for most areas in the U.S.

(2) Forts Bragg, Polk, and Stewart are in lower cost areas compared to the national average cost based on the recent survey of Labor/Material Index.

QUESTION: Last year the Navy reported that the average cost for family housing overseas and in the U.S. is $45 per square foot. The three Army family housing projects requested in fiscal year 1985 are for $54, $58, and $56. Why does Army family housing cost so much more than the Navy's?

ANSWER: All services used $44 per square foot as the base price for all new construction in fiscal year 1985. This base price is then adjusted by the following factors: (a) Area Cost Factor (ACF). This allows for regional (or Foreign) cost differentials in labor and material. (b) Project Size. Due to economies of scale, certain cost reductions are made for advantages realized in multi-unit construction. These economies of scale are factored into each project. (c) Unit Size. A reduction in cost can be realized in the building of larger units.

When the basic price of $44 per square foot is modified by the above factors the final estimate can change. For example, at Babenhausen, Germany:

Base Price		ACF		Proj Size		Unit Size		Housing Unit
$44/SF	X	1.34	X	.99	X	1.00	=	$58.37/SF

The Navy's $45 per square foot was their fiscal year 1984 basic price and was prior to any adjustments and should be compared to the fiscal year 1985 Army base price of $44 per square foot.

SUBCOMMITTEE RECESS

Senator MATTINGLY. With that, General, there being no further business today, the subcommittee stands in recess until 2 p.m., tomorrow, Thursday, March 22, when we will receive testimony from the Navy and the Marine Corps on their fiscal year 1985 MILCON request. The hearing will be in the same room.

[Whereupon, at 4:40 p.m., Wednesday, March 21, the subcommittees were recessed to reconvene at 2 p.m., Thursday, March 22, 1984.]

MILITARY CONSTRUCTION AUTHORIZATION AND APPROPRIATION, FISCAL YEAR 1985

THURSDAY, MARCH 22, 1984

U.S. SENATE, SUBCOMMITTEE ON MILITARY CONSTRUCTION OF THE COMMITTEE ON ARMED SERVICES AND THE SUBCOMMITTEE ON MILITARY CONSTRUCTION OF THE COMMITTEE ON APPROPRIATIONS,

Washington, DC.

The subcommittees met at 1:05 p.m. in room S–126, the Capitol, Senator Strom Thurmond (chairman of the Military Construction Subcommittee of the Committee on Armed Services) and Senator Mack Mattingly (chairman of the Military Construction Subcommittee of the Committee on Appropriations) presiding.

Present: Senators Thurmond, Mattingly (presiding), and Sasser.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE NAVY

NAVAL FACILITIES ENGINEERING COMMAND

STATEMENT OF REAR ADM. W. M. ZOBEL, CEC, U.S. NAVY, COMMANDER, NAVAL FACILITIES ENGINEERING COMMAND

ACCOMPANIED BY:

CAPT. B.J. O'CONNELL, CEC, U.S. NAVY, ASSISTANT COMMANDER FOR FAMILY HOUSING, NAVAL FACILITIES ENGINEERING COMMAND

R.J. MURPHY, DIRECTOR, ATLANTIC LIAISON DIVISION, MILITARY CONSTRUCTION PROGRAMMING, NAVAL FACILITIES ENGINEERING COMMAND

INTRODUCTION OF ADMIRAL ZOBEL

Senator THURMOND. Today we are continuing our series of military construction hearings with testimony on Navy programs. Our primary witness is Adm. Bill Zobel, the Chief of the Naval Facilities Engineering Command.

Admiral Zobel has been before us several times in past years and we welcome him back. For my colleagues who may not be aware of Admiral Zobel's credentials, he was born in Charleston, SC, and had the excellent judgment to get most of his education at the Citadel and to select a young lady from Charleston as the "better half" of his family. So he is bound to be a good man.

I understand, Admiral Zobel, that you will be retiring this summer and I want to thank you for your work with these committees over the past several years. You can be justly proud of your accomplishments throughout your career.

I want to emphasize again that we are in open session. I look to the witnesses to advise us if we get into classified matters. If necessary, we will go into executive session at the completion of the open testimony to get into classified matters.

Senator Mattingly, do you have an opening statement?

OPENING REMARKS OF SENATOR MATTINGLY

Senator MATTINGLY. Yes; I am, of course, pleased to be here with Senator Thurmond, chairman of the Armed Services Subcommittee on Military Construction.

As you all know, our overview hearings this year are being held jointly, which is beneficial to all of us involved in the process. It takes you less energy and probably the taxpayers less money.

The Navy and Marine Corps military construction accounts are seeking new budget authority in the amount of nearly $2.7 billion. This amount includes family housing and the Santa Margarita water project. In addition, the Naval and Marine Corps Reserve is requesting $60.8 million for military construction in fiscal year 1985.

I would like to welcome our witnesses today: Rear Admiral Zobel, who is the Chief of Naval Facilities Engineering Command, is going to present the overall Navy program. Brigadier General Buehl, Director of Facilities and Services Division, Installations and Logistics Department, Headquarters, Marine Corps, will present the Marine request and anything else they want, and Rear Admiral Roop, Deputy Director of the Naval Reserve, representing the Naval and Marine Corps Reserves.

I want to say now that each of you can put your statements in and they will be made a part of the record, in addition to the comments you may make here today.

I understand that barring any further hearings by these subcommittees, this is going to be your final appearance before us in your present position, Admiral Zobel.

Admiral ZOBEL. Yes, sir.

Senator MATTINGLY. I assume you will be retiring. I don't know where you are going to live, but if you really want to live someplace nice, you can move south and come to Georgia, even though you went to the Citadel.

I know that I speak for my subcommittee in thanking you all and thanking you for your assistance and cooperation in the programs for which you have responsibility and which we must review.

So I thank you and I would also like to submit the questions from Senator Weicker for the record and ask you to respond to those.

Admiral ZOBEL. Yes, sir.

[The questions of Senator Weicker, and the responses, appear at the conclusion of the hearing.]

Senator THURMOND. Have you ever heard of a Charlestonian moving anywhere else?

Senator MATTINGLY. No, but hope springs eternal.

Senator **Thurmond**. Thank you very much. We appreciate your good work as chairman of the Military Construction Subcommittee on Approporiations.

Now Admiral, do you want to present your entire statement or put it in the record and summarize it?

PROGRAM MANAGEMENT

Admiral **Zobel**. Thank you, Mr. Chairman. With your permission, I will just submit the full statement for the record and summarize and give you a few highlights.

Senator **Thurmond**. That will be fine.

Admiral **Zobel**. First I would like to just quickly discuss our program management. Execution is going extremely well. We awarded 97.6 percent of our fiscal year 1983 program and we have already awarded 42 percent of our fiscal year 1984 program. We do expect savings to execute all the projects that were authorized and that were approved by the Appropriations Committee to be accomplished with savings in the fiscal year 1984 program.

Our change order rate in fiscal year 1983 was the lowest ever at 5.2 percent. Our fiscal year 1985 costs in this program have been reduced to what we think is the absolute minimum, reflecting the good bidding climate.

We intend to minimize the risk of cost overruns by continuing our timely completion of design by early contract awards, and by low change order rates.

BUDGET REQUEST

The Navy and Marine Corps military construction and family housing authorization request for fiscal year 1985 is $2.51 billion and the appropriation request is $2.67 billion. The appropriation request compares: In fiscal year 1984 our request was $2.05 billion, so this is 30 percent larger; and in fiscal year 1983 it was $2.01 billion, so this is 33 percent larger than that.

There are three parts of the program this year. The military construction portion itself is $1.8 billion in appropriations and $1.64 billion in authorization. There is $164 million in additional appropriations for three projects that were previously authorized but were not fully funded. The Santa Margarita water project for $142 million is a portion of the Navy's program, and family housing accounts for $728 million.

When we look at MILCON new missions, there is $581 million in support of approved weapons systems. These are not brand new missions, because they are all missions that you are familiar with from before. As an example, the Trident program in Kings Bay, which is the largest portion of the program, calls for nine projects for $287 million; Kings Bay Community Impact Assistance includes about $5 million; and then in other locations, $14 million for two projects.

I have Comdr. Dave Hull with me here today who would be happy to give you a short presentation on the Trident program if you desire.

Other projects that are in support of new missions are: Keflavik, Iceland, $36.7 million; at Little Creek, VA, $19.4 million for the landing craft air cushion complex, and LAMPS MARK III, maintenance hangars at NAS Sigonella and NAS Cubi Point, $26 million.

We have a number of quality-of-life projects that support personnel readiness, totaling $330 million. We have training projects, for $151 million. There are MILCON material readiness projects that provided maintenance facilities and shipyard modernization, pierside service projects and data processing centers that total $521 million.

And then, as I indicated, the second part of the request is for the Santa Margarita water project, $142 million. Brigadier General Buehl from the Marine Corps is available to discuss that project in more detail as you desire.

FAMILY HOUSING REQUEST

The family housing request for fiscal year 1985 is $728 million, and that supports personnel readiness, as you well know. We have new construction and design included for $110.6 million. We have improvements for $9 million and we have support for $608 million which includes operations, maintenance, leasing and debt payment.

Mr. Chairman, that completes the highlights of my statement. If you have any questions, I would be glad to answer them before General Buehl or before Admiral Roop give their statements, or any way you would like to go.

Senator THURMOND. I thought we might get all the statements first.

Admiral ZOBEL. All right, General Buehl is ready to go.

[The prepared statement of Admiral Zobel follows:]

PREPARED STATEMENT OF REAR ADM. W. M. ZOBEL, CEC, USN
COMMANDER
NAVAL FACILITIES ENGINEERING COMMAND

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

I AM REAR ADMIRAL W. M. ZOBEL, COMMANDER OF THE NAVAL FACILITIES ENGINEERING COMMAND. I APPRECIATE THE OPPORTUNITY TO REVIEW THE NAVY'S MILITARY CONSTRUCTION AND FAMILY HOUSING BUDGET REQUEST FOR FISCAL YEAR 1985 WITH YOU. BRIGADIER GENERAL LOUIS H. BUEHL, UNITED STATES MARINE CORPS WILL REVIEW THE MARINE CORPS PORTION OF THE REQUEST AND REAR ADMIRAL HOWARD ROOP, DEPUTY DIRECTOR, NAVAL RESERVES WILL REVIEW THE NAVAL AND MARINE CORPS RESERVE REQUEST.

PROGRAM MANAGEMENT

BEFORE I REVIEW THIS YEAR'S REQUEST, I WOULD LIKE TO BRIEFLY DISCUSS OUR MANAGEMENT OF THE NAVY'S MILITARY CONSTRUCTION PROGRAM. THE EXECUTION OF OUR PROGRAM HAS BEEN PROCEEDING EXTREMELY WELL. WE HAVE AWARDED 97.6 PERCENT OF OUR FISCAL YEAR 1983 PROGRAM AND 35 PERCENT OF OUR FISCAL YEAR 1984 PROGRAM. WE ARE CONTINUING TO RECEIVE GOOD BIDS AND BY EARLY EXECUTION OF OUR PROGRAM HAVE REALIZED ENOUGH SAVINGS TO LIQUIDATE OUR PREVIOUSLY UNDERFUNDED POSITION. WE ANTICIPATE ENOUGH SAVINGS TO BE ABLE TO FUND ALL THE PROJECTS AUTHORIZED BY CONGRESS TO BE ACCOMPLISHED WITH SAVINGS IN FY 1984. IN 1983 WE REDUCED OUR CHANGE ORDER RATE TO ITS LOWEST LEVEL EVER OF 5.2 PERCENT. I INTEND TO CONTINUE AN ACTIVE PROGRAM DESIGNED TO MAINTAIN IT AT THE LOWEST POSSIBLE LEVEL AS A PART OF OUR CONTINUING EFFORT TO MINIMIZE OUR CONSTRUCTION COSTS. WE HAVE REFINED OUR COST ESTIMATES IN THIS YEAR'S PROGRAM TO REFLECT THE GOOD BIDDING CLIMATE AND HAVE REDUCED OUR COST ESTIMATES TO THE ABSOLUTE MINIMUM CONSIDERED NECESSARY TO CONSTRUCT THE FACILITIES. THIS APPROACH INCREASES THE RISK OF OVERRUNS IF THE CURRENT "BUYERS MARKET" TURNS INTO A "SELLERS MARKET", HOWEVER, IT PROVIDES US WITH THE OPPORTUNITY TO OBTAIN THE MAXIMUM AMOUNT OF URGENTLY-REQUIRED FACILITIES WITHIN BUDGET LIMITATIONS. WE INTEND TO MINIMIZE THIS RISK BY CONTINUING TO COMPLETE OUR DESIGNS IN A TIMELY MANNER, OBTAINING EARLY CONSTRUCTION CONTRACT AWARDS AND MAINTAINING A LOW CHANGE ORDER RATE.

MILITARY CONSTRUCTION, NAVY

THIS YEAR THE NAVY AND MARINE CORPS REQUEST INCLUDES THREE GENERAL CATEGORIES; MILITARY CONSTRUCTION FOR $1.64 BILLION IN AUTHORIZATION AND $1.8 BILLION IN APPROPRIATIONS, THE SANTA MARGARITA WATER PROJECT FOR $142 MILLION AND FAMILY HOUSING FOR $728 MILLION. THE AUTHORIZATION REQUEST FOR $2.51 BILLION AND THE APPROPRIATIONS REQUEST FOR $2.67 BILLION REPRESENT 30 PERCENT INCREASES FROM THE $1.93 BILLION AUTHORIZATION REQUEST AND THE $2.05 BILLION APPROPRIATIONS REQUEST SUBMITTED LAST YEAR AND A 31 PERCENT INCREASE FROM THE $1.91 BILLION FISCAL YEAR 1983 AUTHORIZATION REQUEST AND A 33 PERCENT INCREASE FROM THE $2.01 BILLION FISCAL YEAR 1983 APPROPRIATIONS REQUEST. AS IN THE PAST YEARS, THIS MILITARY CONSTRUCTION AND FAMILY HOUSING BUDGET REQUEST WAS DEVELOPED IN CONJUNCTION WITH OTHER NAVY AND MARINE CORPS REQUIREMENTS IN ORDER TO PROVIDE THE OPTIMUM MIX OF APPROPRIATIONS NECESSARY TO SUPPORT OUR STRATEGY OF MARITIME SUPERIORITY. THE RELATIVELY SMALL MILITARY CONSTRUCTION AND FAMILY HOUSING REQUESTS OF THE PAST TWO YEARS REFLECTS THE NEED IN THOSE YEARS TO FUND WEAPONS SYSTEM PROCUREMENT AND OTHER HIGHER PRIORITY NAVY AND MARINE CORPS REQUIREMENTS, RESULTING IN THE DEFERRAL OF NECESSARY FACILITY CONSTRUCTION. THIS YEAR'S REQUEST IS THE ABSOLUTE MINIMUM NEEDED TO CORRECT THE SIGNIFICANT FACILITIES DEFICIENCIES THAT WE FEEL CAN NO LONGER BE DEFERRED AS WELL AS TO PROVIDE FACILITIES IN A TIMELY MANNER TO SUPPORT OUR NEW WEAPONS SYSTEMS WHEN THEY BECOME OPERATIONAL.

MILITARY CONSTRUCTION

OUR MILITARY CONSTRUCTION AUTHORIZATION REQUEST OF $1.64 BILLION AND APPROPRIATION REQUEST OF $1.8 BILLION PROVIDE THE PROJECTS NEEDED TO RESPOND TO THE NAVY'S HIGHEST PRIORITIES OF IMPROVING READINESS AND SUSTAINABILITY OF OUR FORCES. THE REQUESTS INCLUDE A BALANCED PROGRAM SUPPORTING BOTH NEW AND EXISTING MISSIONS WITH EMPHASIS BEING PLACED ON PROVIDING FACILITIES THAT PROMOTE PERSONNEL AND MATERIAL READINESS, ENHANCE PRODUCTIVITY, IMPROVE MORALE AND WELFARE AND CONTRIBUTE TO THE RETENTION OF PERSONNEL. THE APPROPRIATIONS REQUEST INCLUDES AN ADDITIONAL $164.1 MILLION TO PROVIDE APPROPRIATIONS FOR THREE PROJECTS THAT HAVE BEEN PREVIOUSLY AUTHORIZED, BUT NOT FULLY FUNDED. THESE PROJECTS ARE THE TRIDENT TRAINING FACILITY, NAVAL SUBMARINE BASE, KINGS BAY, GEORGIA, FOR $59.7 MILLION; HOSPITAL EQUIPMENT, NAVAL HOSPITAL, SAN

DIEGO, CALIFORNIA, FOR $24.9 MILLION; AND STEAM PLANT (PHASE II) NAVAL SHIPYARD, BREMERTON, WASHINGTON, FOR $79.5 MILLION.

NEW MISSIONS

OUR REQUEST IN SUPPORT OF NEW MISSIONS INCLUDES $521 MILLION IN AUTHORIZATION AND $581 MILLION IN APPROPRIATIONS FOR CONSTRUCTION TO MODERNIZE OUR FORCES AND INTRODUCE NEW WEAPONS SYSTEMS. THE MAJORITY OF THIS REQUEST IS IN SUPPORT OF THE TRIDENT SUBMARINE AND THE NEW TRIDENT II (D-5) WEAPON SYSTEM. THE $306 MILLION IN APPROPRIATIONS REQUESTED THIS YEAR IS NECESSARY TO MEET THE PLANNED INITIAL OPERATING CAPABILITY FOR THE TRIDENT II (D-5) SYSTEM AT KINGS BAY, GEORGIA, IN 1989. CONSIDERING THE TIME REQUIRED FOR CONSTRUCTION AND EQUIPMENT INSTALLATION AND CHECK OUT, IT IS ESSENTIAL THAT THE TRIDENT PROJECTS IN THIS REQUEST BE APPROVED TO INSURE TIMELY FACILITY SUPPORT OF THE TRIDENT II SYSTEM AND THE PRESIDENT'S STRATEGIC MODERNIZATION PLAN.

INCLUDED IN THIS YEAR'S TRIDENT PROGRAM ARE NINE CONSTRUCTION PROJECTS AND ONE COMMUNITY IMPACT ASSISTANCE PROJECT AT KINGS BAY, GEORGIA, IN THE AMOUNTS OF $286.7 MILLION AND $4.9 MILLION AND TWO CONSTRUCTION PROJECTS IN THE AMOUNT OF $14.0 MILLION AT OTHER LOCATIONS. THE LARGEST PROJECT IN SUPPORT OF TRIDENT IS THE STRATEGIC WEAPONS FACILITY AT A COST OF $81.7 MILLION. THIS PROJECT WILL PROVIDE FACILITIES TO ASSEMBLE, INSPECT, TEST, REPAIR AND CALIBRATE THE TRIDENT II MISSILE. THERE ARE THREE REFIT FACILITY PROJECTS SUPPORTING INTERMEDIATE-LEVEL MAINTENANCE AND REPAIR OF THE SYSTEMS AND COMPONENTS OF THE OHIO CLASS SUBMARINES. THESE PROJECTS ARE THE REFIT INDUSTRIAL FACILITY IN THE AMOUNT OF $25 MILLION, THE REFIT WHARF IN THE AMOUNT OF $33 MILLION, AND THE WATERFRONT SERVICES FACILITY IN THE AMOUNT OF $6.8 MILLION. ADDITIONAL FUNDING IN THE AMOUNT OF $59.7 MILLION IS BEING REQUESTED THIS YEAR FOR THE TRIDENT TRAINING FACILITY. THIS AMOUNT COUPLED WITH THE $17.0 MILLION RECEIVED IN 1984 WILL COMPLETE THE FUNDING REQUIREMENT FOR THIS FACILITY, WHICH IS REQUIRED TO PROPERLY TRAIN THE TRIDENT CREWS ON THE D-5 WEAPONS SYSTEM. ADDITIONAL DREDGING AND UTILITIES AND SITE IMPROVEMENTS PROJECTS ARE BEING REQUESTED IN THE AMOUNTS OF $45.2 MILLION AND $23.8 MILLION RESPECTIVELY IN ORDER TO CONTINUE WITH THE ORDERLY DEVELOPMENT OF THE TRIDENT FACILITIES AT KINGS BAY. A BASE ADMINISTRATION BUILDING AND COMMUNICATION CENTER AT $7.3 MILLION, UNACCOMPANIED ENLISTED PERSONNEL HOUSING

AT $4.3 MILLION AND COMMUNITY IMPACT ASSISTANCE AT $4.9 MILLION TO ASSIST THE COMMUNITIES IMPACTED BY THE LOCATION OF THE KINGS BAY TRIDENT SUBMARINE BASE COMPLETE THIS YEAR'S TRIDENT PROGRAM REQUIREMENTS IN GEORGIA.

FACILITIES NOT LOCATED AT KINGS BAY IN SUPPORT OF THE TRIDENT PROGRAM INCLUDE A $13.3 MILLION COMMAND AND CONTROL SYSTEM MAINTENANCE ACTIVITY AT THE NAVAL UNDERWATER SYSTEMS CENTER, NEWPORT, RHODE ISLAND, AND A $.7 MILLION RAILROAD DOCK AT THE NAVAL AIR STATION, MOFFETT FIELD, CALIFORNIA.

THE BALANCE OF THE REQUEST IN SUPPORT OF NEW MISSIONS IS REPRESENTED BY A CONTINUATION OF SUPPORT FOR FACILITIES AT THE NAVAL STATION, KEFLAVIK, ICELAND, AND THE NAVAL SUPPORT FACILITY, DIEGO GARCIA, THE LANDING CRAFT AIR CUSHION PROGRAM, THE LAMPS III HELICOPTER PROGRAM, THE AEGIS SHIP COMBAT SYSTEMS AND THE F/A-18 AIRCRAFT. SEVEN PROJECTS IN THE AMOUNT OF $36.7 MILLION IN THIS YEAR'S PROGRAM AT THE NAVAL STATION, KEFLAVIK, ICELAND, ARE VITAL TO THE SUCCESS OF OUR MISSION OF AIR DEFENSE OF OUR NORTHERN FLANK. THE $19.4 MILLION PROJECT FOR A LANDING CRAFT AIR CUSHION COMPLEX AT THE NAVAL AMPHIBIOUS BASE, LITTLE CREEK, VIRGINIA, WILL PROVIDE THE FIRST PHASE OF FACILITIES AT THE EAST COAST BASE SUPPORTING THIS NEW ASSAULT CRAFT. AN ADDITIONAL $26.1 MILLION IS REQUESTED FOR MAINTENANCE HANGARS IN SUPPORT OF THE LAMPS III HELICOPTER PROGRAM AT THE NAVAL AIR STATIONS IN SIGONELLA, ITALY, AND CUBI POINT, REPUBLIC OF THE PHILIPPINES.

PERSONNEL READINESS

WE BELIEVE THAT THE MILITARY CONSTRUCTION PROGRAM BEFORE YOU TODAY WILL GREATLY INCREASE READINESS OF OUR PERSONNEL BY PROVIDING OUR MEN AND WOMEN MODERN FACILITIES WHICH IMPROVE THEIR QUALITY-OF-LIFE AND TRAINING. ADEQUATE QUALITY-OF-LIFE FACILITIES SUCH AS MEDICAL AND DENTAL FACILITIES, UNACCOMPANIED PERSONNEL HOUSING, DINING FACILITIES, MORALE, WELFARE AND RECREATION FACILITIES AND RELIGIOUS FACILITIES ARE ESSENTIAL FOR THE RETENTION OF NAVY AND MARINE CORPS PERSONNEL AND THE ENHANCEMENT OF PERSONNEL READINESS. THIS YEAR'S PROGRAM FOR QUALITY-OF-LIFE PROJECTS IN THE AMOUNT OF $304.9 MILLION IN AUTHORIZATION AND $329.8 MILLION IN APPROPRIATIONS CONSTITUTES A SOUND INVESTMENT THAT WILL BE QUICKLY AMORTIZED BY THE RETENTION OF KEY PERSONNEL. THE NAVY AND MARINE CORPS DINING FACILITIES AND UNACCOMPANIED PERSONNEL SPACES CONSTITUTE $218 MILLION OF OUR QUALITY OF LIFE

REQUEST. THE NAVY'S REQUEST OF $120 MILLION IS 14 PERCENT GREATER THAN THAT REQUESTED LAST YEAR AND THE MARINE CORPS $98 MILLION REQUEST IS 93 PERCENT GREATER THAN LAST YEAR'S REQUEST. THIS YEAR WE HAVE INCREASED OUR MEDICAL PROGRAM BY 58 PERCENT BY REQUESTING $87.0 MILLION IN APPROPRIATIONS FOR SEVEN PROJECTS. HOSPITAL MODIFICATIONS AT THE NAVAL HOSPITAL, OAKLAND, CALIFORNIA, FOR $29.1 MILLION, A NEW HOSPITAL AT ROTA, SPAIN, FOR $18.4 MILLION AND HOSPITAL EQUIPMENT TO SUPPORT THE NEW NAVAL HOSPITAL, SAN DIEGO, CALIFORNIA, FOR $24.9 MILLION CONSTITUTE THE MAJOR PORTION OF THIS REQUEST.

THE NAVY IS CONTINUING ITS EFFORTS TO ENHANCE THE QUALITY-OF-LIFE OF ITS MEMBERS BY EXPANDING ITS CHILD CARE AND FAMILY SERVICES CENTERS PROGRAMS. THIS YEAR'S REQUEST SEEKS FUNDS FOR FOUR CHILD CARE CENTERS, THREE FAMILY SERVICES CENTERS, FOUR CHAPELS AND RELIGIOUS EDUCATION FACILITIES, FIVE GYMNASIUMS AND ONE THEATER.

WITH THE INCREASED SOPHISTICATION OF OUR WEAPONS SYSTEMS, IT IS BECOMING INCREASINGLY IMPORTANT TO PROVIDE MODERN TRAINING FACILITIES TO BRING OUR PERSONNEL TO THE PROPER STATE OF READINESS REQUIRED TO MAN OUR COMPLEX SHIPS AND WEAPONS. IN ORDER TO IMPROVE READINESS TRAINING, WE ARE REQUESTING $91 MILLION IN AUTHORIZATION AND $151 MILLION IN APPROPRIATIONS FOR TRAINING PROJECTS. THESE FUNDS WILL BE LARGELY UTILIZED TO MODERNIZE, EXPAND AND PROVIDE NEW TRAINING FACILITIES TO THE PROPER SIZE AND CONFIGURATION REQUIRED TO PROVIDE OUR PERSONNEL REALISTIC TRAINING ON EQUIPMENT CORRESPONDING TO OUR LATEST SHIPS AND WEAPONS SYSTEMS.

MATERIAL READINESS

MATERIAL READINESS IS IMPROVED THROUGH OUR MILITARY CONSTRUCTION PROGRAM BY THE CONSTRUCTION OF FACILITIES THAT SUPPORT THE REPAIR, MAINTENANCE AND SERVICING OF OUR SHIPS, AIRCRAFT AND EQUIPMENT, INSURING THAT THEY ARE FULLY COMBAT READY AND MISSION CAPABLE. IN THIS YEAR'S REQUEST THERE ARE 52 PROJECTS IN THE AMOUNT OF $332 MILLION FOR NEW AND MODERNIZED FACILITIES AT OUR NAVAL AND MARINE CORPS ACTIVITIES THROUGHOUT THE WORLD PROVIDING THE PROPER LEVEL OF MAINTENANCE REQUIRED FOR OUR WEAPONS SYSTEMS. SUPPORTING MATERIAL READINESS AS WELL AS THE SUSTAINABILITY OF OUR FORCES ARE $142 MILLION FOR PIERSIDE SERVICE PROJECTS, $91 MILLION FOR SHIPYARD MODERNIZATION PROJECTS AND $55 MILLION FOR FLEET SUPPORT OF OUR INDUSTRIAL BASE AT OUR NAVAL SUPPLY CENTERS, PUBLIC WORK CENTERS, NAVAL WEAPONS STATIONS AND NAVAL

MAGAZINES. THE PIERSIDE SERVICE PROJECTS INCLUDE PROJECTS SUCH AS THE $25.9 MILLION PIER EXTENSION AT THE NAVAL SUBMARINE BASE, SAN DIEGO, CALIFORNIA, WHICH PROVIDES A PIER ADEQUATE TO BERTH THE FLOATING DRYDOCK NEEDED TO REPAIR OUR 688 CLASS SUBMARINES AND THE $15.1 MILLION GENERAL PURPOSE BERTHING PIER AT THE NAVAL STATION, NORFOLK, VIRGINIA, WHICH WILL PROVIDE FULL BERTHING FOR SHIPS UP TO BATTLESHIP SIZE. IN OUR SHIPYARD MODERNIZATION PROGRAM, WE ARE REQUESTING $79.5 MILLION IN APPROPRIATIONS FOR THE FINAL PHASE OF THE STEAM PLANT AT THE PUGET SOUND NAVAL SHIPYARD, BREMERTON, WASHINGTON, WHICH IS REQUIRED TO INSURE UNINTERRUPTED SHIP OVERHAUL AND REPAIR WORK. SIX NEW DATA PROCESSING CENTER FACILITIES IN THE AMOUNT OF $43.3 MILLION ARE ALSO BEING REQUESTED TO PROVIDE THE EFFECTIVE LOGISTIC SUPPORT NEEDED TO ENHANCE OUR MATERIAL READINESS POSTURE AND THE SUSTAINABILITY OF OUR FORCES.

SANTA MARGARITA WATER PROJECT

INCLUDED IN OUR REQUEST IS $142 MILLION FOR THE SANTA MARGARITA WATER PROJECT AT THE MARINE CORPS BASE, CAMP PENDLETON, CALIFORNIA. THIS PROJECT WHICH IS BEING ACCOMPLISHED IN CONJUNCTION WITH THE DEPARTMENT OF THE INTERIOR AND THE FALLBROOK PUBLIC UTILITY DISTRICT, PROVIDES THE NAVY'S SHARE OF THE COST OF THE CONSTRUCTION OF TWO DAMS ON THE SANTA MARGARITA RIVER AND ASSOCIATED WATER DISTRIBUTION SYSTEMS. UPON COMPLETION, THE PROJECT WILL PROVIDE A RELIABLE SOURCE OF WATER FOR CAMP PENDLETON TO SUPPLEMENT THE PRESENT SYSTEM WHICH IS PROJECTED TO REACH ITS FULL SAFE CAPACITY BY 1985 AND PROTECTION AGAINST ADDITIONAL FLOOD DAMAGE TO THE BASE, WHICH AMOUNTED TO OVER $40 MILLION IN THE PAST 14 YEARS.

FAMILY HOUSING

OUR TOTAL REQUEST THIS YEAR FOR FAMILY HOUSING IS $728 MILLION. THE PROGRAM REPRESENTS A BALANCE AMONG ACQUISITION, COST OF OWNERSHIP, HABITABILITY IMPROVEMENTS, AND MAINTENANCE AND REPAIR FORMULATED TO PROVIDE THE MAXIMUM BALANCED BENEFIT TO OUR MILITARY FAMILIES.

FUNDS REQUESTED FOR NEW CONSTRUCTION AND ACQUISITION OF FAMILY HOUSING ($102 MILLION) WILL PERMIT THE CONSTRUCTION OF 893 UNITS AT THE NAVAL STATION, ADAK, ALASKA; MARINE CORPS BASE, CAMP PENDLETON, CALIFORNIA; AEGIS COMBAT SYSTEMS CENTER, WALLOPS ISLAND, VIRGINIA; AND NAVAL STATION, GUANTANAMO BAY, CUBA. THE FAMILY HOUSING CONSTRUCTION PROGRAM PLACES EMPHASIS ON REMOTE LOCATIONS WITH LITTLE OR NO COMMUNITY HOUSING ASSETS.

THE FISCAL YEAR 1985 POST ACQUISITION PROGRAM INCLUDES $9 MILLION FOR HABITABILITY ENHANCING IMPROVEMENTS TO EXISTING FAMILY HOUSING UNITS.

FUNDS IN THE AMOUNT OF $8.6 MILLION ARE REQUESTED FOR ARCHITECTURAL, ENGINEERING, AND CONSTRUCTION DESIGN SERVICES.

THE $608 MILLION REQUESTED FOR FAMILY HOUSING SUPPORT WILL PROVIDE FOR OPERATION AND MAINTENANCE, LEASING, AND DEBT PAYMENTS FOR THE NAVY AND MARINE CORPS IN FISCAL YEAR 1985. THE OPERATIONS REQUEST OF $250 MILLION IS HEAVILY INFLUENCED BY UTILITIES WHICH COMPRISE OVER 66 PERCENT OF THE OPERATING REQUIREMENT. FUNDS IN THE AMOUNT OF $313 MILLION FOR MAINTENANCE WILL PROVIDE FOR ROUTINE MAINTENANCE AND CONTINUED REDUCTION OF MAINTENANCE BACKLOG. FUNDS IN THE AMOUNT OF $20.1 MILLION FOR LEASING AND $25.4 MILLION FOR DEBT PAYMENTS COMPLETE OUR FAMILY HOUSING REQUEST.

SUMMARY CONCLUSION

THIS IS A PROGRAM THAT PLACES HIGH PRIORITY ON READINESS AND SUSTAINABILITY OF OUR FORCES AND INSURES A TIMELY RESPONSE TO THE NEEDS OF NEW WEAPONS SYSTEMS NOW BEING INTRODUCED INTO THE FLEET. EACH OF THE PROJECTS IN THIS BUDGET REQUEST HAS SURVIVED THE CLOSEST SCRUTINY OF ITS COST OF OWNERSHIP AND ITS CONTRIBUTION TO THE MISSIONS OF THE NAVY AND MARINE CORPS. WE URGE YOUR FAVORABLE CONSIDERATION OF THE NAVY'S FISCAL YEAR 1985 MILITARY CONSTRUCTION APPROPRIATIONS REQUEST. I WELCOME ANY QUESTIONS THAT YOU MIGHT HAVE.

FISCAL YEAR 1985 MILITARY CONSTRUCTION PROGRAM
APPROPRIATION SUMMARY BY MAJOR CLAIMANT
(DOLLARS IN THOUSANDS)

Major Command	Budget Request	% of Program	Pollution Abate.	Energy Conservation
Inside the United States				
Marine Corps	224.330	12.4	1.930	
Chief of Naval Research	31.650	1.8		1.380
Chief of Naval Operations	41.300	2.3		
Commander in Chief, Atlantic Fleet	150.050	8.3		
Commander in Chief, Pacific Fleet	201.170	11.2	1.700	5.560
Naval Education and Training Command	85.575	4.7	1.510	5.200
Naval Medical Command	65.220	3.6		.820
Naval Material Command	619.045	34.3	7.900	12.570
Naval Oceanography Command	1.945	.1		
Naval Telecommunications Command	1.160	.1		
Naval Security Group Command	5.140	.3		
Subtotal, Inside the United States	1.426.585	79.1	(13.040)	(25.530)
Outside the United States				
Marine Corps	9.150	.5		
Commander in Chief, Atlantic Fleet	50.550	2.8		
Commander in Chief, Pacific Fleet	50.845	2.8		.820
Commander in Chief, U.S. Naval Forces Europe	54.370	3.0		
Naval Material Command	.230	.0		
Naval Medical Command	18.400	1.0		
Naval Telecommunications Command	8.440	.5		.300
Naval Security Group Command	1.040	.1		
Host Nation Infrastructure Support	2.790	.2		
Subtotal, Outside the United States	195.815	10.9	(-)	(1.120)
Total	1.622.400	90.0	(13.040)	(26.650)
Unspecified Minor construction	19.000	1.1		
Architectural & Engineering Services & Construction Design	157.900	8.7		
Access Roads	4.000	.2		
TOTAL	1.803.300	100.0		
Santa Margarita Water Project	142.000			
GRAND TOTAL	1.945.300			

FISCAL YEAR 1985 MILITARY CONSTRUCTION PROGRAM
AUTHORIZATION SUMMARY BY MAJOR CLAIMANT
(DOLLARS IN THOUSANDS)

Major Command	Budget Request	% of Program	Pollution Abate.	Energy Conservation
Inside the United States				
Marine Corps	224.330	13.7	1.930	
Chief of Naval Research	31.650	1.8		1.380
Chief of Naval Operations	41.300	2.5		
Commander in Chief, Atlantic Fleet	150.050	9.2		
Commander in Chief, Pacific Fleet	201.170	12.3	1.700	5.560
Naval Education and Training Command	85.575	5.2	1.510	5.200
Naval Medical Command	40.320	2.5		.820
Naval Material Command	479.845	29.3	7.900	12.570
Naval Oceanography Command	1.945	.1		
Naval Telecommunications Command	1.160	.1		
Naval Security Group Command	5.140	.3		
Subtotal, Inside the United States	1.262.485	77.0	(13.040)	(25.530)
Outside the United States				
Marine Corps	9.150	.6		
Commander in Chief, Atlantic Fleet	50.550	3.0		
Commander in Chief, Pacific Fleet	50.845	3.1		.820
Commander in Chief, U.S. Naval Forces Europe	54.370	3.3		
Naval Material Command	.230	.0		
Naval Medical Command	18.400	1.1		
Naval Telecommunications Command	8.440	.5		.300
Naval Security Group Command	1.040	.1		
Host Nation Infrastructure Support	2.790	.2		
Subtotal, Outside the United States	195.815	11.9	(-)	(1.120)
Total	1.458.300	88.9	(13.040)	(26.650)
Unspecified Minor construction	19.000	1.2		
Architectural & Engineering Services & Construction Design	157.900	9.7		
Access Roads	4.000	.2		
TOTAL	1.639.200	100.0		
Santa Margarita Water Project	142.000			
GRAND TOTAL	1.781.200			

SUMMARY OF FISCAL YEAR 1985 FAMILY HOUSING AUTHORIZATION AND APPROPRIATIONS

Installation and Project		Requested Amount ($MILLIONS)
Construction		
New Construction		
NS, Adak, AK	405 units	61.107
MCB, Camp Pendleton, CA	360 units	26.004
AEGIS COMSYSCEN, Wallops Island, VA	28 units	2.400
NS, Guantanamo Bay, CU	100 units	12.430
Total	893 units	101.941
Post acquisition construction		17.559
(Construction Improvements		(9.000)
(Planning)		(8.559)
Total authorization for appropriation and appropriations request, construction		119.500
Operation and Maintenance		
Operating Expenses		
(Management Accounts)		(40.237)
(Services Account)		(29.826)
(Utilities Account)		(165.523)
(Furnishing Account)		(14.263)
(Miscellaneous Account)		(402)
Total Operating Expenses		250.251
Maintenance Account		
Total Maintenance Account		312.609
Leasing		20.080
Domestic		(28)
Foreign		(20.052)
Debt payment		25.446
Principal		(23.286)
Interest Payment Family Housing		(1.710)
Servicemen's mortgage insurance premiums for existing coverage		(450)
Total authorization and appropriations request O&M and debt payment		608.386
Total authorization for appropriation and appropriations request, Construction, O&M and debt payment		727.886

FISCAL YEAR 1985 MILITARY CONSTRUCTION PROGRAM AUTHORIZATION AND APPROPRIATIONS SUMMARY BY FACILITIES CATEGORIES

NAVY

(DOLLARS IN THOUSANDS)

Description	AUTHORIZATION	APPRORIATIONS
Operational	271.235	271.235
Training	91.375	151.075
Maintenance & Production	331.805	331.805
R&D	58.070	58.070
Supply	63.545	63.545
Medical	62.115	87.015
Administrative	115.555	115.555
Troop Housing	218.260	218.260
Community	49.740	49.740
Utilities	129.570	209.070
Energy Conservation	26.650	26.650
Water Pollution Abatement	13.040	13.040
Real Estate	24.550	24.550
Access Roads	4.000	4.000
Unspecified Minor	19.000	19.000
Architectural and Engineering Services and Construction Design	157.900	157.900
NATO	2.790	2.790
TOTAL	1.639.200	1.803.300

BIOGRAPHICAL SKETCH

Rear Admiral William M. Zobel
Civil Engineer Corps, U. S. Navy

Born July 20, 1929, Rear Admiral William Marshall Zobel is the son of Captain W. A. Zobel, Civil Engineer Corps, USN (Retired) and Ruth (Marshall) Zobel. He is a graduate of the U. S. Naval Academy, Class of '52, and was commissioned Ensign on June 6, 1952.

His first tour of duty was as Fire Control Division officer in the USS WORCESTER. He entered Rensselaer Polytechnic Institute, Troy, N. Y., in March 1954 and graduated in September 1955 with a Bachelor of Science Degree in Civil Engineering. His first tour of duty with the Civil Engineer Corps was at Naval Air Station, Cecil Field, Florida. He then transferred to the Marine Corps Supply Center, Albany, Georgia. In 1959 he became the Operations Officer for Naval Mobile Construction Battalion FIVE, assisting with the construction of Navy and Marine Corps facilities on Guam and Okinawa.

Rear Admiral Zobel earned a Master of Science Degree in Physics, specializing in Nuclear Engineering, from the Naval Postgraduate School in Monterey, California, in 1963.

He subsequently served as Officer in Charge of the Navy's Nuclear Power Unit, Fort Belvoir, Virginia, and Public Works Officer at Naval Air Station, Oceana, Virginia Beach, Virginia.

In 1967 he was assigned to the Headquarters, Naval Facilities Engineering Command, Alexandria, Virginia, to direct the technical division giving support to primary witnesses during Congressional hearings on military construction. In June 1970, he was transferred to Vietnam as Chief of Staff, Third Naval Construction Brigade. Rear Admiral Zobel then assumed command of the 32nd Naval Construction Regiment and in 1971 became Commanding Officer of the Construction Battalion Center, Gulfport, Mississippi, and Commander of the 20th Naval Construction Regiment.

From 1973 to 1975 he served as Head of the Program Appraisal and Information Branch of the Office of the Chief of Naval Operations and Deputy Director, Department of the Navy, Program Information Center in Washington, D. C. He then became Commanding Officer of the Navy Public Works Center, Norfolk, Virginia. In 1977 he returned to Washington as Director, Construction Operation and Facilities Management Office of the Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics).

Rear Admiral Zobel became the Vice Commander, Naval Facilities Engineering Command/Deputy Chief of Civil Engineers on December 1, 1978. He became Commander, Naval Facilities Engineering Command/Chief of Civil Engineers on January 15, 1981.

He is married to the former Mary K. Counts of Charleston, S. C. and has three sons. He holds memberships in Tau Beta Pi, Chi Epsilon and Sigma Xi, and is a Registered Professional Engineer in the Commonwealth of Massachusetts.

His medals include the Defense Superior Service Medal, the Legion of Merit with Combat V, three Meritorious Service Medals, and the Meritorious Unit Commendation. He also wears the following campaign and service medals: Antarctic Service, European Occupation, National Defense with Star, Expert Pistol, Vietnam Service, Vietnam Campaign and Vietnamese Civic Action.

U.S. MARINE CORPS

STATEMENT OF BRIG. GEN. I.H. BUEHL, U.S. MARINE CORPS, DIRECTOR, FACILITIES AND SERVICES DIVISION, INSTALLATIONS AND LOGISTICS DEPARTMENT, HEADQUARTERS, U.S. MARINE CORPS

BUDGET REQUEST

Senator THURMOND. General, we are glad to have you.

General BUEHL. Thank you, sir. I am very pleased to be here and have this opportunity to once again present the Marine Corps' request for military construction for fiscal year 1985.

Senator THURMOND. Do you want your full statement to go in the record?

General BUEHL. Yes, sir, and I will summarize it. This year the Marine Corps request is $230.7 million. For comparison purposes, the fiscal year 1984 request was $152 million. With your permission sir, as I said, I will submit for the record my formal statement.

QUALITY OF LIFE PROJECTS

As in the past, the Marine Corps continues to stress the quality of life projects in support of the individual marine. This is evidenced, sir, by our request for $98.4 million to provide 9,813 adequate living spaces, consisting of 5,615 new spaces and 4,198 modernized spaces, and the modernization of an enlisted dining facility is included as well.

OPERATIONAL AND TRAINING FACILITIES

We are requesting $35.4 million for the construction of operational and training facilities, and recognizing the fact that a marine spends more waking hours, sir, in his workplace than in his living quarters, we are also requesting $39.2 million to provide for new maintenance facilities, which is quality-of-life issue as well, sir.

This year's program includes $15.1 million to provide several magazines and warehouses and a cold storage facility. This year's program also includes a request fo $18.4 million to provide administrative spaces for various Marine units. We are also requesting a combined chapel/religious educational and instructional facility, a child care center, a land acquisition project, and two utility improvements projects. The total request for these types of projects is $24 million, sir.

SANTA MARGARITA WATER PROJECT

Now, the Santa Margarita water project. This is an urgent operational requirement for Marine Corps Base Camp Pendleton, CA. The assured water supply provided through this project will permit unconstrained future use of this base's unique and irreplaceable training assets. It is a national asset. The project's flood protection will prevent repeated flood damage and disruption to operations.

Sir, damage to the over $1 billion worth of nonrelocatable improvements in the flood plain have cost over $40 million to repair in the last 15 years, and have resulted in severe, although temporary, loss in readiness.

The project's history is rooted in over 60 years of litigation over the rights to use these waters of the lower Santa Margarita River. The United States, sir, became heir to a portion of these contested rights with the purchase of the Camp Pendleton property during World War II. This litigation was tentatively settled in 1968 by a Federal district court-approved agreement signed by the Fallbrook Public Utility District, the Attorney General of the United States, and the Secretaries of the Navy and Interior.

Sir, this settlement stipulated the water rights to be developed by the Bureau of Reclamation's construction of a two-reservoir project, which would divide the river's water with 60 percent going to the Department of the Navy and 40 percent to Fallbrook.

The project, as proposed, consists of a 36,500 acre-foot reservoir to be developed at a site owned by Fallbrook, and 140,000 acre-foot reservoir on Camp Pendleton proper. Also included in our request are the needed conveyance facilities and road and utility relocations to provide a complete and usable water project.

This project, sir, is the most feasible and cost-effective method of providing the much-needed secure additional source of water and flood protection for Camp Pendleton.

Sir, I have with me today two representatives from the Bureau of Reclamation who will be available to answer questions also on the Santa Margarita water project. They are Mr. Richard Atwater, special assistant to the Commissioner, and Mr. Haydn Lee, planning coordinator for water resources projects. I have on my right Mr. Andy Reachinas, who is a member of my staff for military construction.

This concludes, sir, my very brief overview of the fiscal year 1985 Marine Corps military construction request. I appreciate the very strong past support of these subcommittees and hope for favorable consideration for this year's request, sir. I will be happy to answer any questions.

[The prepared statement of General Buehl follows:]

PREPARED STATEMENT OF BRIG. GEN. L.H. BUEHL, DIRECTOR, FACILITIES AND SERVICES DIVISION, OFFICE OF THE DEPUTY CHIEF OF STAFF (INSTALLATIONS AND LOGISTICS), U.S. MARINE CORPS

Mr. Chairman and members of the committee, I am pleased to have the opportunity to appear before your committee to present the Marine Corps fiscal year 1985 Military Construction Program.

This year, the Marine Corps request is $230.7 million. For comparison, the fiscal year 1984 request was $152 million. This represents a substantial increase from the fiscal year 1984 request. However, we still have a long way to go before the Marine Corps military construction deficiencies will be satisfied.

The past support these committees have given to our requests is appreciated by all marines. We earnestly solicit your continued support. As in previous years, the Marine Corps continues to stress quality of life projects in support of the individual marine, as evidenced by our request for $98.4 million for projects to provide adequate living and dining facilities. In recognizing the fact that the marine spends more waking hours in his work place than in his living quarters, we are continuing to increase our emphasis on the replacement of antiquated operational, training and maintenance facilities.

We are requesting $35.4 million for the construction of twelve operational and training facilities at eight Marine Corps activities. These projects, which are predominantly in support of readiness, will provide facilities such as: combat aircraft ordnance loading areas; tactical support van pads (For F/A-18 aircraft); an armory; a recruit training building; operational training facilities; a training facility at the Mountain Warfare Training Center; a small arms range (outdoor); and a fuel storage facility.

$39.2 million is requested for eleven projects at eight Marine Corps activities to provide new maintenance facilities, again predominantly in support of readiness, such as: jet engine, missile, tactical, combat vehicle and other maintenance shops and hangars; parachute survival equipment and construction and weight handling equipment shops; and a combat service support facility.

Also included is a request for $15.1 million for security and cold storage warehouses; a hazardous flammable storehouse; ammunition magazines and a high explosives magazine. $18.4 million is requested for division, wing and battalion headquarters buildings; also included in this amount is modernization of three buildings at the marine barracks, Washington, D.C.

In the category of unaccompanied personnel housing, this year's request, as stated earlier, continues to reflect the commandant's policy of providing maximum adequate living spaces within available financial resources. $95.8 million is requested in fiscal year 1985 to provide living spaces for 6,006 unaccompanied enlisted marines and 3,807 recruits—a total of 9,813 spaces. After we finish our fiscal year 1985 program, we will have a deficit of 52,478 spaces remaining, out of a total requirement for 124,738 enlisted spaces.

We are requesting $2.6 million for an enlisted dining facility, $2.4 million for a chapel, religious education and instructional facility; and $2.5 million for a child care center at Marine Corps base, Camp Pendleton.

Finally, an additional $14.5 million is requested for water distribution improvements and a water distribution system, and $4.8 million for land acquistion at El Toro, in conjunction with a combat aircraft ordnance loading area project.

Mr. Chairman, this concludes the overview of the fiscal year 1985 Marine Corps military construction request. I will be happy to answer any of the committee's questions and provide any information you might require regarding our proposed program.

U.S. NAVAL RESERVE

STATEMENT OF REAR ADM. H. ROOP, U.S. NAVAL RESERVE, DEPUTY DIRECTOR, NAVAL RESERVE

NAVAL RESERVE GROWTH

Senator THURMOND. We are glad to have you, Admiral Roop. We will have everyone testify first and then come back for questions.

Admiral ROOP. Good afternoon, Mr. Chairman. It is a pleasure to appear before your committee. I would like to submit my statement for the record.

Senator THURMOND. Without objection, we will put your entire statement in the record and you can just summarize it.

Admiral ROOP. Yes, sir. Briefly summarizing my statement, I am pleased to report to you that our Naval Reserve is healthy and growing, as is our Marine Corps Reserve.

With congressional support, we achieved a fiscal year 1983 end strength in the Naval Reserve of just under 97,000, which was 99.6 percent of our goal. This is in training category A. For the Marine Corps Reserve, the fiscal year 1983 growth in strength included 42,690 Reservists, which was 99.2 percent of the intended goal. The wartime strength of the Marine Corps Reserve is projected to be 46,477, which will be achieved by fiscal year 1986. In the case of the Naval Reserve, we expect to achieve our end strength this year of 105,000.

BUDGET REQUEST

The Naval and Marine Corps Reserve military construction appropriation request totals $60.8 million. This includes $54.5 million of major projects, $2.89 million for minor construction projects costing less than $400,000 each, and $3.8 million for project planning and design.

URGENT PROJECT FUNDING

Owing to the continuing favorable bidding climate during 1983, we were able to reprogram savings to fund two urgent projects: the runway repairs at the Naval Air Station in South Weymouth, MA, and a reserve training center at San Antonio, TX.

NAVY CONSTRUCTION BACKLOG

Currently the backlog of required construction for the Naval and Marine Corps Reserve is approximately $588 million. We are very concerned about the growth of the backlog, and while the Naval Reserve facility requirements in previous years had not competed favorably within the Navy programming and planning system, an improvement in the out-year funding profile did occur during the past programming cycle. During the cycle now in progress, we are attempting to maintain and build upon those gains.

As you know, the Naval and Marine Corps Reserves shared common construction programming. Because of the savings involved, we are also endeavoring to improve our opportunities for consolidation and joint construction with our Guard and Reserve counterparts. This year you are seeing 4 consolidation actions and 12 additional projects have been identified and are being studied for potential joint construction or consolidation within the 5-year defense plan.

The projects contained in our program will contribute substantially to the improved readiness and responsiveness of the Naval and Marine Corps Reserve, and we deeply appreciate the past support of these committees and earnestly seek your approval of our requested projects that comprise this program.

I have with me today Commander Giancola and Major Zales of our staff, and that concludes my statement, Mr. Chairman. I would be happy to answer any questions for you.

[The prepared statement of Admiral Roop follows:]

PREPARED STATEMENT OF REAR ADM. HOWARD ROOP, USNR

DEPUTY DIRECTOR

NAVAL RESERVE

Mr. Chairman and Members of the Committee

It is a pleasure to appear before this Committee again this year and to present the Military Construction requirements of the Naval and Marine Corps Reserve.

I am pleased to report to you that our Naval Reserve is healthy and is growing. With Congressional support, we achieved a FY-1983 end strength of 96,000 for our Selected Reserve, training category "A". During the present fiscal year, we expect to achieve an end strength of 105,000.

We are also increasing the number of Reservists on full time active duty in support of the Naval Reserve, our TAR program. In addition, we have implemented a new non prior service accession program, the Sea and Air Mariner, which will help us fill our large number of E-4 and below vacancies.

With the Naval and Marine Corps Reserve continuing to receive newer equipment and new challenges and expanded missions, our facility requirements are increasing. To support and train our Reserve personnel for mobilization, we are making maximum use of our existing facilities. However, many of our structures were built during the 40's and early 50's. Four of our six Naval Air Stations were constructed during World War II and show signs of block obsolescence. Our typical Reserve Center is also a 1940's structure of two or three quonset huts connected by a headhouse structure. In total, 90 of 235 facilities or 38% are substandard and have deteriorated beyond economic rehabilitation, maintenance and repair. It is in this setting that we submit the Military Construction, Naval Reserve Program for Fiscal Year 1985.

The objective of our Military Construction program, in concert with our Facilities Maintenance and Repair Program, is to provide a balanced program that obtains optimum return, or service life, on capital investments and one that is responsive to meet expanded missions or new requirements. Our top priority is to improve the readiness posture.

The Naval and Marine Corps Reserve, Military Construction request totals $60.8 million. This total is comprised of three parts. First, an authorization and appropriation is requested for major projects totalling $54.5 million. Second, $2.895 million is requested to fund minor construction projects costing less than $400,000 each. Third, $3.4 million is requested for project design. In the design area emphasis has been placed upon accelerating the design efforts in order to present projects sufficiently complete in their design to allow initiation and construction earlier in the Fiscal Year. This will allow for continuing improvement in the execution of our approved programs.

The Naval and Marine Corps Air Reserve portion of our Fiscal Year 1985 Program includes: a project at Naval Air Station Willow Grove, Pennsylvania for a taxiway overlay to replace severely deteriorated taxiway pavement; two projects at Naval Air Station, Dallas, Texas, one, to provide a Marine Corps logistics building to support current and new mission support for the F-4S and F-4J aircraft and another project to provide an Aviation technical training building; a project at Naval Air Reserve Unit, Norfolk, Virginia to provide a new headquarters building for the staffs of the Naval Air Reserve Unit and Reserve Patrol Wing, Atlantic personnel and finally a portion of the project at the Naval & Marine Corps Reserve Center, Denver, Colorado which will consolidate separate Navy and Marine Corps Air Reserve Training activities along with separate surface units into one Reserve Center to be located at Buckley Air National Guard Base in the Denver area.

The situation at Denver deserves further elaboration. The General Services Administration (GSA) has been the primary force behind the new Reserve Center project. They desire to use present Navy spaces for new laboratories for the Food and Drug Administration and U.S. Geological Survey to resolve hazardous conditions that exist in occupied spaces. In late 1981 the Naval Reserve reached verbal agreements with the GSA whereby we would advance our Military Construction project to FY 1985 and GSA would allow the Naval Reserve to move directly into the new Reserve Center in the 1986 timeframe. Unfortunately the GSA did not honor the previous agreements. They now desire the Naval Reserve to vacate the existing spaces at the Denver Federal Center by late 1984 and move into temporary spaces until the new Reserve Center is completed. The cost to the government for rehabilitating another space is approximately $4 million but more importantly will be the disruption of training for over 800 Denver Reservists. We estimate up to 5 months per move, one move to temporary spaces and a second move to the new Reserve Center. The complexity of the move is related to the disassembly, movement, reassembly and recalibration of the sophisticated computerized Shipboard Simulator systems. We have unsuccessfully appealed to the GSA to allow us to move directly to the new Reserve Center pointing out that at least 3 similar buildings used as warehouses at the Denver Federal Center could be used for the new laboratory spaces.

The projects for the Naval Surface and Marine Corps Ground Reserve forces include: two projects, in Denver, Colorado and Miami, Florida, for new Reserve Training Buildings which will provide adequate and modern facilities to accommodate training, a project to purchase land and facilities at the former Richards-Gebaur Air Force Base from the General Services Administration which will provide newer facilities and which will allow us to consolidate separate activities in the Kansas City area. In addition, these facilities will allow for the expansion of the Reserve Center; a project at the Navy and Marine Corps Reserve Center Rock Island, Illinois allowing us to replace a substandard vehicle maintenance facility by relocating it to the Reserve Center complex; a project at Naval Support Activity, New Orleans, Louisiana to provide a permanent facility for the newly established personnel support activity; an addition to the Navy and Marine Corps Reserve Center, Dallas, Texas to provide adequate space for the Mobile Mine Assembly Group and finally a major project to construct a new berthing pier at Naval Station Treasure Island, California. This pier will berth surface combatant and mine warfare ships of the Naval Reserve scheduled for a June 1986 arrival. The movement of this $29.2M project from the Military Construction, Navy to the Military Construction, Naval Reserve program is the basis for our growth from FY 1984 to FY 1985.

The favorable bidding climate continued in FY 1983. As a result we were able to reprogram two urgent new projects. They were the Reserve Training Building, San Antonio, Texas and the Runway Resurfacing, NAS South Weymouth, MA.

Currently, the backlog of required construction is about $558 million up from $441 million last year. We are very concerned over the growth of the backlog. In addition, when one considers the projected rapid growth in the Navy's Selected Reserve manning, we can anticipate some additional facility requirements being generated which will add to this backlog.

A major effort continued in 1983 to inspect and clearly identify facility deficiencies particularly in the surface community. Unfortunately, the Naval Reserve facility requirements, in previous years, have not competed favorably within the Navy programming and planning system. The "One Navy" concept dictates that Reserve requirements be integrated with all Navy requirements in competition for dollar support. The Military Construction, Navy funds were generally applied to new fact-of-life facility requirements to support increased numbers and improved weapons and systems while our Reserve program represented primarily a modernization effort. This combination resulted in a relatively low level of funding for Reserve Military Construction. However, during the past planning and programming cycle, a significant improvement in funding levels was realized. We are attempting to build on this during the present programming cycle.

As you know, the Naval and Marine Corps Reserve share a common construction program. Because of the savings involved, we are endeavoring to improve our opportunities for both consolidations and joint construction with our Guard and Reserve counterparts. Twelve projects have been identified and are being studied for potential consolidation or joint construction within the Five Year Defense Plan. Our FY 1985 request includes four consolidation actions within the Naval and Marine Corps Reserve. We will continue to emphasize intermediate and long range planning to more effectively use existing and new facilities.

The justification data books which have been furnished contain detailed project descriptions and supporting information. All proposed projects will improve training, operational, maintenance or personnel support facilities actively utilized by the Naval and Marine Corps Reserve. We appreciate the past support of this committee and earnestly seek your approval of the required projects that comprise this years program.

This concludes my statement, Mr. Chairman. I will be happy to answer any questions and to provide any additional information that may be desired.

BIOGRAPHICAL SKETCH

REAR ADMIRAL HOWARD ROOP, USNR-R

Rear Admiral Roop was born in Denver, Colorado, in 1924, and enlisted as a Naval Aviation Cadet in 1942. He was called to active duty in July 1943, and discharged as a seaman first class in January 1946, following various naval ground and flight schools.

He entered the University of Southern California on a football scholarship, and graduated in 1949 with a Bachelor of Science Degree in commercial aviation. Upon graduation, he received a direct commission to Ensign. Recalled to active duty during the Korean conflict, he was assigned to the USS LOGAN (APA 196) as Assistant Boat Group Commander. Prior to release from active duty, he completed training at the Naval Amphibious Base, Coronado, joined Underwater Demolition Team FIVE, and served as Operations Officer.

Reaffiliating with the Naval Reserve, he served in the Air Intelligence Program from 1954 to 1967, as executive officer of two air intelligence units, and Commander, Naval Air Intelligence Reserve Unit 722 at Naval Air Station, Los Alamitos, California. Transferred to Naval Air Reserve Division L-1, he became Training Officer, Executive Officer and, ultimately, Commanding Officer.

Following promotion to Captain, he transferred to the Naval Air Reserve staff, Naval Air Station, Los Alamitos, and ultimately was selected as Commander, Naval Air Reserve staff. Following a brief tour with the Los Angeles Recruiting Office, he rejoined the intelligence community and, after transfer to Volunteer Training Unit 0994, continued in the Intelligence Program on a TAD basis until promotion to Rear Admiral in July 1979.

Rear Admiral Roop assumed command of the Readiness Command, Region NINETEEN in June 1981, with headquarters in San Diego. This is the largest command in the entire Naval Reserve. He assumed command as Deputy Director of Naval Reserve on 15 November 1982.

Rear Admiral Roop has received the Meritorious Service Medal, Meritorious Unit Commendation, World War II Victory Medal, American Theatre, China Service, Korean Conflict with one battle star, National Defense, Good Conduct, as well as several United Nations medals and awards.

In civilian life, Admiral Roop has been an educator for 32 years, serving as teacher, coach, counselor, high school assistant principal, intermediate school principal, high school principal, and recently was Assistant Superintendent of the Huntington Beach, California Union High School District.

In 1959, he received an MS Degree, and in 1971 a Doctorate in Education, both from the University of Southern California.

A classical music enthusiast, and a member of the Orange County Philharmonic Society, he also participates in many sports.

He is married to the former Harriet B. English, between them they have four children.

GENERAL QUESTIONING

KEFLAVIK PIER

Senator THURMOND. Thank you. Does that cover the testimony?

Admiral ZOBEL. Yes, sir. It does. If you would like to have a presentation on Trident, we have that any time you would like.

Senator THURMOND. I thought I might ask a few questions, and I am sure my distinguished colleague will have a few, too.

We might first take up this Keflavik pier. Last year you requested and the Congress disapproved funding for a fuel pier in Iceland. You renewed your request in a fiscal year 1984 supplemental authorization request. You are asking for the United States to unilaterally fund half of the total pier cost, $60 million, with the other half being paid for by NATO.

The question that we have, and this continues to come up, if this is a NATO matter, why shouldn't NATO fund the entire pier?

Admiral ZOBEL. Mr. Chairman, this pier—it is actually a jetty with a pier—is part of a large new POL, or oil handling complex, that includes tanks, pipes, and the pier itself. By mutual understanding between SACLANT, who is the NATO commander, and Commander-in-Chief, Atlantic Fleet, it was agreed that cost-sharing would be involved across the board when the concept was first developed about 3 years ago.

Before I give you a specific answer on why the 50–50 split or why it shouldn't all be NATO, we should note that the United States needs this facility and pier because of our own national interest, and we really want to see it built. The fact that NATO is joining with us, I think, is to our benefit. They are willing to pay for half of it.

The wartime threat is in the Greenland-Iceland-Norway gap and the Soviets coming down through that gap. That is of vital concern to us for the defense of the United States and of the Western Atlantic. So the forces that defend that gap will be mostly U.S. They will be defending U.S. interests, and they need that fuel.

You might credit the U.S. desire to cost share as enabling the project to move ahead, despite some repeated deferral. I think the pier would be a nonstarter, if the United States were not willing to share in its cost, because we have been pressing NATO for funds for the pier since 1979.

NATO is a partner in this overall project for POL, for pipes, for storage and the rest. They are doing very well. They are up to about 50 percent now and when we finish this entire project, if you approve it, we expect that NATO will pay their full 50 percent share. But it is joint use, half of it, at least, being United States alone.

NATO INFRASTRUCTURE DEFINITIONS

Senator THURMOND. Does the pier meet the definition of NATO Infrastructure according to alliance definitions?

Admiral ZOBEL. Yes, sir, it does.

Senator THURMOND. Is the pier eligible for NATO Infrastructure funding?

Admiral **Zobel**. Yes, sir, in proportion to its use by NATO forces. That is, the fuel in the deport is half for the United States and half for NATO, and the ships that will use the jetty will deliver half U.S. fuel and half NATO fuel. It will be exclusively for U.S. fuel delivered in peacetime.

U.S. PREFINANCING OF PROJECTS

Senator **Thurmond**. I know that we have in the past prefinanced some projects that were eligible for NATO Infrastructure funding. Have we ever paid for part of a facility with unilateral U.S. funding when that facility was eligible for NATO Infrastructure funding—for half of a runway or half of a POMCUS storage site?

Admiral **Zobel**. Yes, sir, we have. First let me say that there is no prefinancing involved in this project, and we have joined with NATO and paid for portions. I can give you some examples. There was a fiscal year 1980 project for a radar air traffic control center in Bermuda. The United States paid for 60 percent; NATO paid for 40 percent. The basis of that percentage split between the United States and NATO was the air operations.

We also had a cost sharing arrangement in fiscal year 1977 for a control tower in Iceland. It was 62 percent United States and 38 percent NATO. And again, it was based on air operations.

We had a headquarters building in Norfolk, a 50-50 split. We had a new jetty in Halifax where the cost—actually, it wasn't the United States, it was Canada and NATO—was split 73 percent for Canada and 27 percent for NATO.

The Congress funded the U.S. share of tanks 1 and 2 in the fiscal year 1983 military construction program, NATO has already funded the portion of the tanks that go with this. So we think there is a history of it.

In the case of the Army's POMCUS storage sites, they were almost entirely NATO-assigned forces, so, therefore, sharing wasn't applicable in that case. But, we believe in this case it is applicable.

CORRESPONDENCE

Senator **Thurmond**. I have a letter here from the American Ambassador to Iceland recommending this project.

Admiral **Zobel**. Yes, sir. He has strongly supported it since its inception. Ambassador Brement has been right there with us.

Senator **Thurmond**. Without objection, we will place that in the record.

[The letter from Ambassador Brement follows:]

U.S. Department of State,
Washington, DC, February 8, 1984.

Hon. Strom Thurmond,
Chairman, Military Construction Subcommittee,
U.S. Senate, Washington, DC.

Dear Mr. Chairman: It was good of you to receive me February 6 to discuss with you and Jim Smith the importance of the Navy's request for FY 84 supplemental funding in the amount of $30 million for a fuel pier at Helguvik to serve the Keflavik NATO Base in Iceland. This letter outlines the importance of that funding to both the U.S. and Icelandic governments.

The $30 million requested in the supplemental involves a single construction project, the fueling pier at the Helguvik fuel storage depot near the Keflavik Base. Funding is urgently needed to allow contruction to begin in June 1984 on the second of seven phases in the project. The Helguvik depot stores mainly aviation fuel for anti-submarine, fighter-interceptor, AWACs and logistics aircraft to operate from Keflavik in defense of Iceland and the sea lines of communication to Europe. In a contingency situation, sustained operation of such aircraft would be essential to the security of Iceland and the United States, and to the successful reinforcement of our European Allies.

Upon completion of the fuel facilities program there will be capacity for approximately 45 days of uptempo operations. Currently, the ability to perform high volume resupply of aviation fuel at Keflavik does not exist. Present capacity is sufficient, for only seven days of operations.

The $30 million requested at this time will apply only to the US fair share of the jointly funded fueling pier, the other $30 million of which will be paid by NATO. No prefinancing is proposed. NATO funds will be available in early 1985 and render any U.S. prefinancing unnecessary.

The current Icelandic government, elected in April 1983, is strongly pro-US and pro-NATO. It has replaced a center-left government containing members of the anti-US, anti-NATO People's Alliance, which was in power for almost four years and which had blocked the long overdue upgrading of facilities at Keflavik. Since the leftist People's Alliance Party generally counts on the support of about one-fifth of Iceland's voters, their renewed participation in a coalition government could come about at almost any time.

Prime Minister Hermannsson and Foreign Minister Hallgrimsson have staked their political credibility on the commitment of the United States to do our part to move ahead as rapidly as possible in upgrading NATO facilities in Iceland. It is important that we do whatever we can to fulfill what they took to be a U.S. commitment to construct Phase II of the Helguvik project as soon as possible.

I hope that this information is helpful to the Committee in its deliberations on the FY 84 supplemental. My colleagues in the Departments of State and Defense and I would be pleased to provide any additional information which you may require.

Sincerely,

MARSHALL BREMENT,
American Ambassador to Iceland.

CONSTRUCTION OF CHILD CASE CENTERS

Senator THURMOND. I have a few more questions. I know that you have several child care centers in your construction request. What is the total backlog for child care construction, including fiscal year 1985? Would you provide a list for the record?

Admiral ZOBEL. Yes, sir. There are three in this program. There are 17 more to come, Mr. Chairman.

[The information follows:]

CHILD CARE

A complete listing of the fiscal year 1985 Navy Child Care Centers program and the backlog is provided below:

Location	P-No.	Description	Million
Fiscal year 1985:			
NAS Corpus Christi, TX	251	Child care center	0.620
NS Long Beach, CA	169	do	1.100
NAS Pensacola, FL	536	do	1.410
Navy backlog:			
NAVCAMSWESTPAC Guam, MI	206	Child care center	.490
NAS Mayport, FL	736	do	1.010
NAS Miramar, CA	293	do	1.850
NAS Moffett Field, CA	204	do	2.880
NAS North Island, CA	503	do	1.570
NTC Orlando, FL	175	do	.510
NS San Diego, CA	109	do	.740
NWS Earle, NJ	871	do	.460
NPGS Monterey, CA	137	do	.820

Location	P-No.	Description	Million
NSB New London, CT	352	Child care center addn	.370
NWC China Lake, CA	356	Child care center	2.440
SUBASE Kings Bay, GA	206	Child care center addn	1.270
NS Roosevelt Roads, PR	863	Child care center	2.930
NAS Barbers Point, HI	196	do	.600
NSGA NW Cheasapeake, VA	806	do	.370
NAS Oceana, VA	722	do	.490
NADC Warminster, PA	145	do	.430

THIRD PARTY INVOLVEMENT IN CHILD CARE CENTERS

Senator THURMOND. Have you considered bringing in some third party to build and operate your child care centers?

Admiral ZOBEL. Yes, sir. We have investigated it. The problems are that the average weekly rate that is charged by a private concern is much higher than if we build them ourselves.

Also, those commercial enterprises, all the ones that we have checked, will not take children under 6 months of age, and of course that cuts out a sizable portion of the population that we are trying to serve.

They are also interested in a very stable population. As an example, they would like to have 50 children there every day. In that way they have a stable base they can depend on. In our situation, we have a rather transient population which goes up and down. We have a little different situation in taking care of the children. So, we don't think there would be too much interest from commercial enterprise in providing this sort of service.

RATE COMPARISONS IN MILITARY AND CIVILIAN CENTERS

Senator THURMOND. How much cheaper are the rates in a military child care center than in a comparable civilian facility?

Admiral ZOBEL. Commercial rates are somewhere between $45 to $75 a week and we have been charging somewhere around $35 a week.

Senator THURMOND. $75 and $35?

Admiral ZOBEL. Yes, sir. $45 to $75 for commercial, somewhere in that range, and we have been down at about $35.

SAVINGS PROJECTS

Senator THURMOND. Now a few questions on savings projects. For the last 2 years we have authorized certain projects to be accomplished with savings. Would you list these projects and indicate the status of each?

Admiral ZOBEL. Yes, sir, we would.

Senator THURMOND. Will you be able to put all these projects under contract?

Admiral ZOBEL. We are going to do all of them except two that were in the fiscal year 1983 program that were denied by the Appropriations Committees. There was an administrative office modernization in Philadelphia and electrical distribution lines in Philadelphia. Those two we will not be able to do. All the rest we are going to be able to accomplish, and we would be glad to provide a list for the record.

[The information follows:]

Savings Projects

FISCAL YEAR 1983 MILITARY CONSTRUCTION SAVINGS PROJECTS

PROJECT NUMBER	PROJECT TITLE	LOCATION	AMOUNT AUTHORIZED ($000)	CONTRACT AWARD DATE
309	Engineering Management Building	Philadelphia Naval Shipyard, Philadelphia, PA	17,500	OCT 1983
437	Fire Protection System	Philadelphia Naval Shipyard, Philadelphia, PA	1,000	DEC 1983
205	Steam Plant Improvement	Philadelphia Naval Shipyard, Philadelphia, PA	900	SEP 1983
206	Machine/Central Tool Shops Modernization	Portsmouth Naval Shipyard, Kittery, ME	4,400	DEC 1983
993	Land Acquisition	Naval Air Station, Oceana, VA	6,200	JUN 1983
230	Maintenance Hangar	Naval Station, Mayport, FL	12,600	OCT 1983
232	Aircraft Intermediate Maintenance Facility	Naval Station, Mayport, FL	7,700	SEP 1983
250	Dining Facility Addition	Naval Air Station, Meridian, MS	820	OCT 1983
179	Airfield Pavement Improvements	Naval Air Station, Whiting Field, Milton, FL	3,150	JUL 1983
229	Electrical Distribution System Addition	Mare Island Naval Shipyard, Vallejo, CA	3,500	AUG 1983
240	Compressed Breathing Air Distribution System	Mare Island Naval Shipyard, Vallejo, CA	3,400	SEP 1983

Savings Projects

PROJECT NUMBER	PROJECT TITLE	LOCATION	AMOUNT AUTHORIZED ($000)	CONTRACT AWARD DATE
172	Airfield Pavement Addition	Naval Air Station, Whiting Field, Milton, FL	4,500	JAN 1984 1/
625	Ammunition Wharf	U.S. Naval Magazine, Guam, Mariana Islands	24,000	UNKNOWN 2/

1/ Only $1,770,000 was appropriated in fiscal year 1984

2/ Delayed pending action by the House Appropriations Committee concerning American Preference in the Pacific.

FISCAL YEAR 1983 MILITARY CONSTRUCTION PROJECTS ADDED BY AUTHORIZATION COMMITTEES BUT NOT APPROVED BY APPROPRIATIONS COMMMITTEES

PROJECT NUMBER	PROJECT TITLE	LOCATION	AMOUNT AUTHORIZED ($000)	CONTRACT AWARD DATE
036	Administrative Office Modernization	Aviation Supply Office, Philadelphia, PA	1,000	N/A
521	Electrical Distribution Lines	Naval Ship Systems Engineering Station, Philadelphia, PA	1,500	N/A

FISCAL YEAR 1984 MILITARY CONSTRUCTION SAVINGS PROJECTS

PROJECT NUMBER	PROJECT TITLE	LOCATION	AUTHORIZED AMOUNT ($000)	ESTIMATED CONSTRUCTION AWARD DATE
004	Unaccompanied Enlisted Personnel Housing Modernization	Naval Station, Mare Island, CA	1,800	JUN 1984

Savings Projects

PROJECT NUMBER	PROJECT TITLE	LOCATION	AUTHORIZED AMOUNT ($000)	ESTIMATED CONSTRUCTION AWARD DATE
007	Applied Instruction Building	Fleet Training Center, San Diego, CA	10,000	JUN 1984
225	Unaccompanied Enlisted Personnel Housing	Puget Sound Naval Shipyard, Bremerton, WA	7,300	AUG 1984
600	Station Access Facilities	Naval Underwater Engineering Station, Keyport, WA	1,400	AUG 1984
123	Trident Training Facility	Naval Submarine Base, Kings Bay, GA	81,000	JUL 1984 1/
087	Training Facility	Pearl Harbor Naval Shipyard, Pearl Harbor, HI	4,600	AUG 1984
213	Service Shops	Pearl Harbor Naval Shipyard, Pearl Harbor, HI	20,000	AUG 1984 2/
239	Facility Energy Improvements	Mare Island Naval Shipyard, Vallejo, CA	1,600	AUG 1984
235	Horizontal Paint and Blast Facility	Mare Island Naval Shipyard, Vallejo, CA	6,000	AUG 1984
302	General Warehouse	Naval Support Activity, Holy Loch, Scotland	2,800	JUN 1984
304	Supply Pier	Naval Support Activity, Holy Loch, Scotland	2,950	JUN 1984

1/ Obligations were limited to $17,000,000 in fiscal year 1984. The balance of funds will have to be approved by the appropriations committees.

2/ Obligations were limited to $4,000,000 in fiscal year 1984. The balance of funds will have to be approved by the appropriations committees.

Savings Projects

PROJECT NUMBER	PROJECT TITLE	LOCATION	AUTHORIZED AMOUNT ($000)	ESTIMATED CONSTRUCTION AWARD DATE
749	Armed Forces Radio Television Station	Naval Air Station, Sigonella, Italy	1,200	JUN 1984

FISCAL YEAR 1984 MILITARY CONSTRUCTION
SAVINGS PROJECTS
REQUIRING REPROGRAMMING APPROVAL BY THE APPROPRIATIONS COMMITTEES

PROJECT NUMBER	PROJECT TITLE	LOCATION	AUTHORIZED AMOUNT ($000)	ESTIMATED CONSTRUCTION AWARD DATE
467	Unaccompanied Enlisted Personnel Housing	Naval Air Station, Jacksonville, FL	10,000	JUL 1984
167	Electrical Distribution Lines	Mare Island Naval Shipyard, Vallejo, CA	7,200	SEP 1984
301	Medical/ Dental Clinic	Naval Support Activity, Holy Loch, Scotland	2,550	SEP 1984
312	Family Services Center	Naval Support Activity, Holy Loch, Scotland	540	JUL 1984

AUTHORIZATION OF SAVINGS PROJECTS

Senator **Thurmond**. What is your position with regard to the procedure that has been used for the past 2 years in authorizing savings projects?

Admiral **Zobel**. It has worked very well. We have had no problems with it, sir.

Senator **Thurmond**. What has been your recent experience with regard to bids? Are they still coming in well under the authorized amounts?

Admiral **Zobel**. Yes, sir. We continue to get good bids. As a matter of fact, if you look strictly at the fiscal year 1984 program which you authorized and funded last year, we are running at about 78 percent of the authorized amount. We expect that to grow somewhat, as time goes on, because that is our normal history. That cost percentage will grow slightly as secondary awards and other change orders are made. But, it is still looking good and overall, our best estimate of the future is that we will probably complete the program somewhere between 85 and 90 percent of the authorized amount—the way it is going.

Our fiscal year 1985 program, though, has been priced accordingly and we expect to have that right on the margin.

Senator **Thurmond**. If you could provide the specific details for the record, it would be helpful.

Admiral **Zobel**. Yes, sir.

[The information follows:]

Bid Awards

As of 16 March 1984, 42% of the fiscal year 1984 program (based on dollars) had been awarded. The aggregate funding requirement for those projects is 78% of their authorized amount. Based on historical trends, the requirement will increase because of change orders and unforeseen secondary contract awards. We anticipate that the fiscal year 1984 program can be completed between 85%—90% of the authorized amount.

GENERATION OF ADDITIONAL SAVINGS

Senator **Thurmond**. Based on your current funding status, do you anticipate that you may generate additional savings as the fiscal year 1984 is executed? And if so, by how much?

Admiral **Zobel**. Right now our best estimate is, and we made it as of the first of March, we expect to come out somewhere between $50 and $80 million positive if we had to complete the program then with no further funds being added. In other words, we would have savings of about that amount if we had to complete that program now.

Now what will be the case in the future for the 1985 program? It is a little difficult to say. It depends on how the economy goes and how the construction market goes.

NAVY BRIGS

Senator **Thurmond**. Now I have a few questions on brigs. You have started a major program to construct new brigs for the Navy. Would you provide for the record the entire brig construction plan and funding required by fiscal year?

Admiral **Zobel**. Yes; we have two in this year's program. We have another 21 expected in future year programs.

[The information follows:]

Brigs

This years request is for 2 brigs located at the NS Treasure Island, CA and the NS Rota, Spain. These are the first of 23 projects to be requested over the next several years. The total program is currently estimated to cost between $120 to $130 million. A complete listing of the FY 85–89 Navy Brig program is provided below:

Location	*In thousands*
Fiscal year 1985:	
NS Treasure Island, CA	$17,600
NS Rota, Spain	820
Navy backlog:	
NAS Jacksonville, FL	8,500
NAS Memphis, TN	3,482
NS Seattle, WA	4,687
NS Philadelphia, PA	4,200
Central Brig	20,188
NETC Newport, RI	2,085
NS San Diego, CA	17,201
NAS Sigonella, IT	5,157
NAS Pensacola, FL	3,941
NS Long Beach, CA	4,745
NTC Great Lakes, IL	4,645
NAS Corpus Christi, TX	2,020
NS Subic Bay, RP	3,400
NS Norfolk, VA	2,682
NS Pearl Harbor, HI	7,980
NS Charleston, SC	5,162
NS Guam, MI	4,926
NS Guantanamo Bay, Cuba	927
NSA Naples, IT	927
NS Keflavik, IC	464
NS Adak, AK	464

DISCIPLINARY STATISTICS FOR SERVICES

Senator **Thurmond**. I thought disciplinary statistics were down for all the services. What has prompted this program?

Admiral **Zobel**. Well actually, I think you are right as far as the disciplinary record is concerned. However, the brig population really hasn't changed very much. You might think that is a little bit strange, but we closed the naval prison at Portsmouth. That had an effect on our ability to take care of that brig population. We also closed 14 smaller brigs because they were inefficient and took too much manpower to man them. They were old. Some of them were firetraps. So, we lost a total of about 1,800 confinement spaces. We have since opened up a brig at Norfolk, Roosevelt Roads, and Yokosuka. That included 335 spaces. The remainder of the brigs are World War II facilities, so it is a matter of replacing those older facilities with those that can meet the requirement and provide rehabilitation for those men that are in the brigs. Also, we are providing for women, which had not been provided for before.

CONSOLIDATION OF PROGRAMS

Senator **Thurmond**. Has this program been coordinated with the other services to permit consolidation where possible?

Admiral ZOBEL. Yes, sir. It has. We have looked at the geographic distribution of the prisoner population, existing brig deficiencies, and other services' capability to take the population. We have also looked at where prisoners would have to be held that would come into the United States—in other words, what the port of entry would be if they are coming off ships or coming from foreign countries. And, we have considered the female prisoner population as well, to see how that is affecting brigs.

NAVY RETENTION OF ITS OWN PRISONERS

Senator THURMOND. Someone has suggested that maybe after the services try a man and give a sentence, that they could be turned over to Federal prisons so that the services would no longer have the responsibility of looking after prisoners. Do you think it is better for the services to keep control of these individuals after they have been sentenced and while they are in prison?

Admiral ZOBEL. I think Navy's position would be that we really should retain or keep control. Most of our population is relatively short term. There is a relatively fast turnover, so if the man is in there, hopefully he is rehabilitated and sent back out to his ship or to his airplane squadron or wherever he came from. On the other hand, there is probably somebody coming in behind him. But one of the ideas, particularly in the Treasure Island brig, is to provide working spaces where we can keep these people hard at work and rehabilitate them. But, we make sure that they are doing just as much work inside the brig as they would have done if they were onboard ship. The sailors onboard ship, as you know, are working pretty doggoned hard, so we want them to do the same thing.

I think, though, if we keep control and keep them away from other hardened criminals—we don't usually have too many hardened criminals in those brigs—we would rather keep them apart and rehabilitate them.

Senator THURMOND. Suppose you had a hardened criminal, someone sentenced to life or a long term? Would it be better for you to keep him or turn him over to the Federal prison system?

Admiral ZOBEL. I think it is true that they are currently transferred. Yes, sir.

Senator THURMOND. I understand the Army keeps some of them.

Admiral ZOBEL. I think that is probably true; yes, sir. It is my understanding——

Senator THURMOND. I just wondered, what was the line of demarcation, where you kept responsibility or turned them over to the civilian prisons?

Admiral ZOBEL. If I might, I will furnish that for the record.

Senator THURMOND. I wish you would furnish that. I would like to know.

Admiral ZOBEL. I am not sure just what that turnover period is.

Senator THURMOND. If you would put in the record just what the law is on the subject.

[The information follows:]

FEDERAL ACCEPTANCE OF HARDENED CRIMINALS

Until a few years ago, any Navy prisoner serving a sentence over one year was routinely turned over to the Federal Bureau of Prisons. At this time the Bureau can no longer accept such turnovers and the Navy must keep them at Norfolk. In rare cases, such as the physically violent or criminally insane prisoners, the Bureau will still accept turnovers.

GEORGIA PROGRAM

I believe my 10 minutes is up. Senator Mattingly?

Senator **MATTINGLY**. Before I begin my questioning I would sort of like to see the 10-minute Georgia program you have here. It is just south of South Carolina.

Admiral **ZOBEL**. Comdr. Dave Hull, assisted by Mr. Jim Bartlett, will be glad to put on the Georgia show.

NAVAL FACILITIES ENGINEERING COMMAND

AOICC PLANS AND PROGRAMS

STATEMENT OF COMMANDER D.N. HULL, CEC, U.S. NAVY, AOICC PLANS AND PROGRAMS, TRIDENT, NAVAL FACILITIES ENGINEERING COMMAND

PROGRAM OVERVIEW

Commander **HULL**. Good afternoon. It is my pleasure to give you an overview of the program this afternoon. I will start out by reminding you that we have an operating squadron at Kings Bay now, and I will talk briefly about the new construction of Trident submarines as it affects the military construction program. I will talk to the funding to date that has been approved. I will discuss our fiscal year 1985 request that is before you now, and then briefly comment on the overall military construction program at Kings Bay.

SLIDE 1

KINGS BAY REFIT SITE

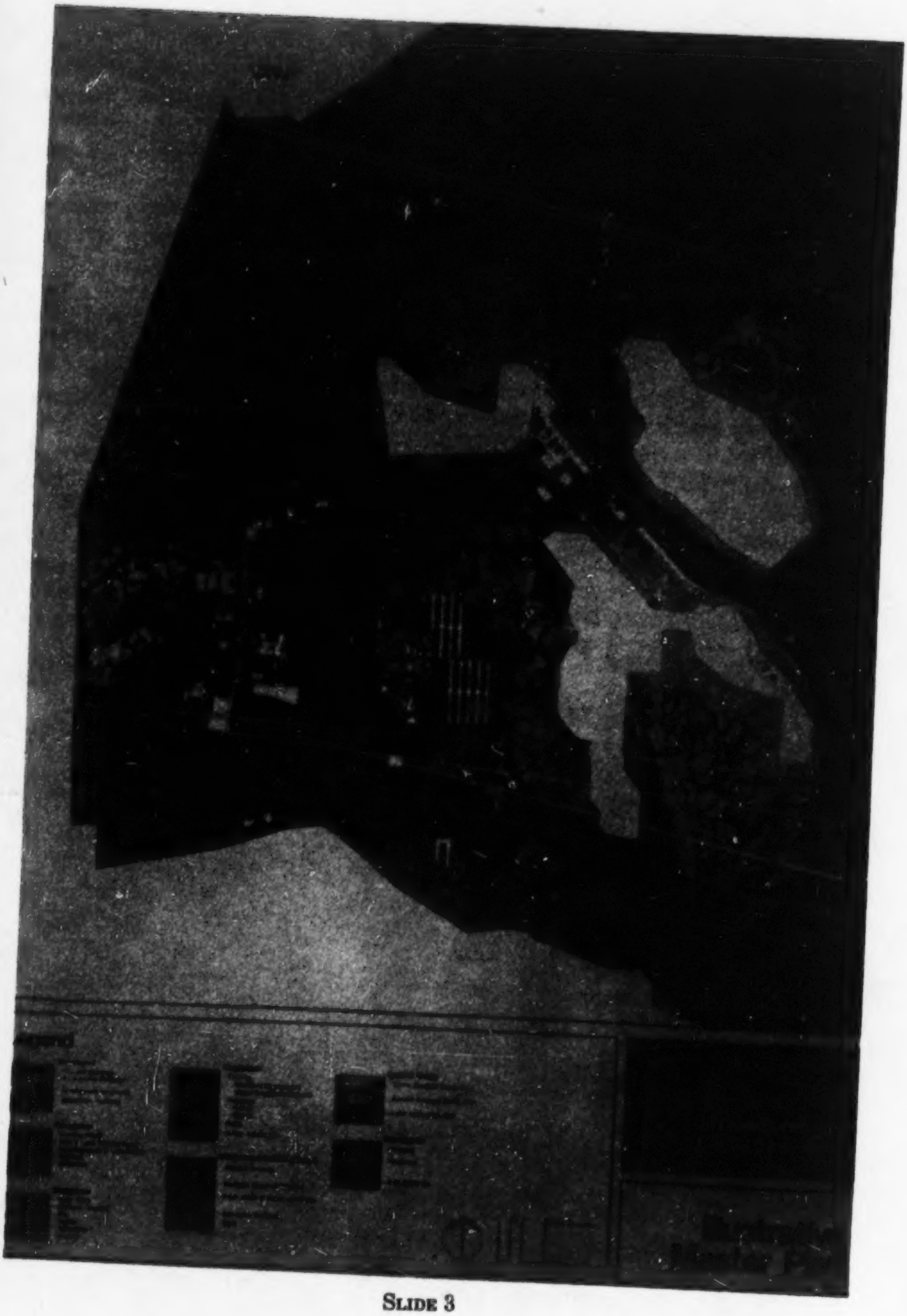
This is Kings Bay, the refit site for the Poseidon squadron. The Poseidon submarines are supported in refit by the tender U.S.S. *Simon Lake* and the floating dry dock, U.S.S. *Oak Ridge,* which is moored at the end of this tressle. These Poseidon submarines are outfitted with the Trident I missiles, which are assembled at the Polaris Missile Facility Atlantic in Charleston, SC, and transported by resupply ship to Kings Bay for loading on the submarines.

Likewise, the crews and their families are homeported in Charleston.

Slide 2

TRIDENT SQUADRON HOMEPORTING

Kings Bay is the designated east coast site for homeporting of a Trident squadron and for the production of the Trident II missile system. The first three submarines that will come to Kings Bay were authorized in fiscal years 1981, 1983, and 1984, respectively, and they are now under construction. The first of those three will arrive at Kings Bay in January of 1989. It is noteworthy that this base will be the only location capable of arming and supporting this Trident II weapon system.



Slide 3

KINGS BAY MASTER PLAN

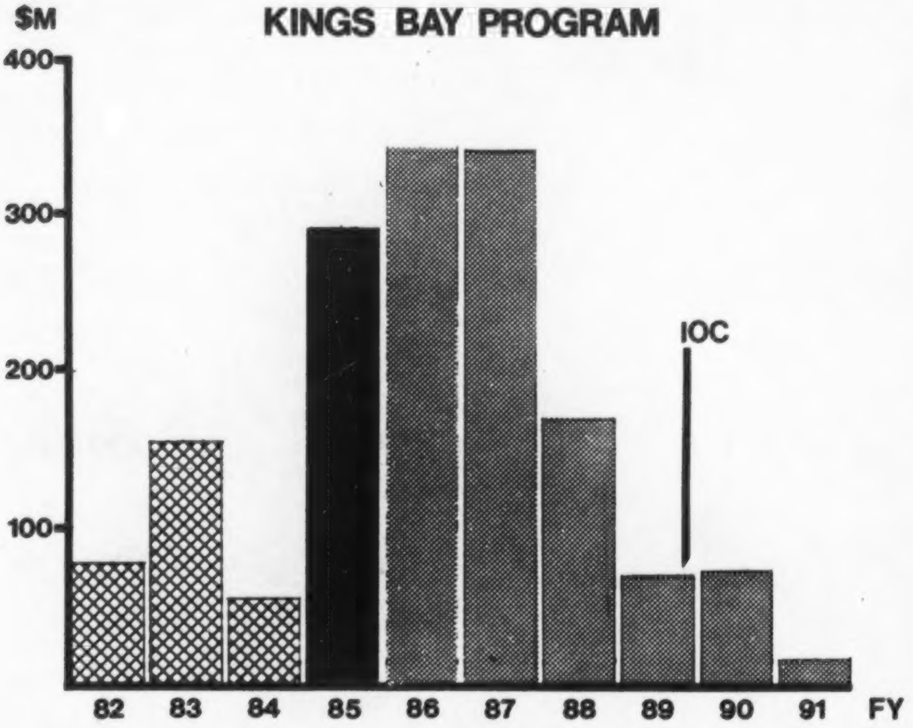
This is the Kings Bay master plan. Kings Bay here, the light blue representing the approach channel to it, the tan areas being the spoil sites for dredged material. We have a large dredging program involved with this construction project. The light green identifies the ecologically sensitive marshland that surrounds the region. The dark green depicts the heavily forrested areas which existed at the onset of this construction program. The lighter areas, represent infrastucture, the roadways, and the red blocks, the buildings that comprise the Trident base construction program.

The base is laid out functionally, and I would like to point out those areas. This is the strategic weapons facility that will produce the Trident II missile. The waterfront area, where we have the drydock, refit piers and explosives handling wharf, and the facilities that support the waterfront refit.

The industrial spine anchored to the north by the refit industrial facility in the fiscal year 1985 program, where we do have the heavy industrial plant. Other industrial facilities being public works and supply facilities and utilities plants.

This area has been sited for family housing, and at the extreme west end of the base, the core or personal support area, with unaccompanied housing, training, retail services and recreation facilities.

This bar chart——



SLIDE 4

CIVILIAN AND MILITARY PERSONNEL

Senator THURMOND. How many civilians do you have now and how many military personnel?

Commander HULL. I believe the total is about 2,500 people. I could provide the mix for you.

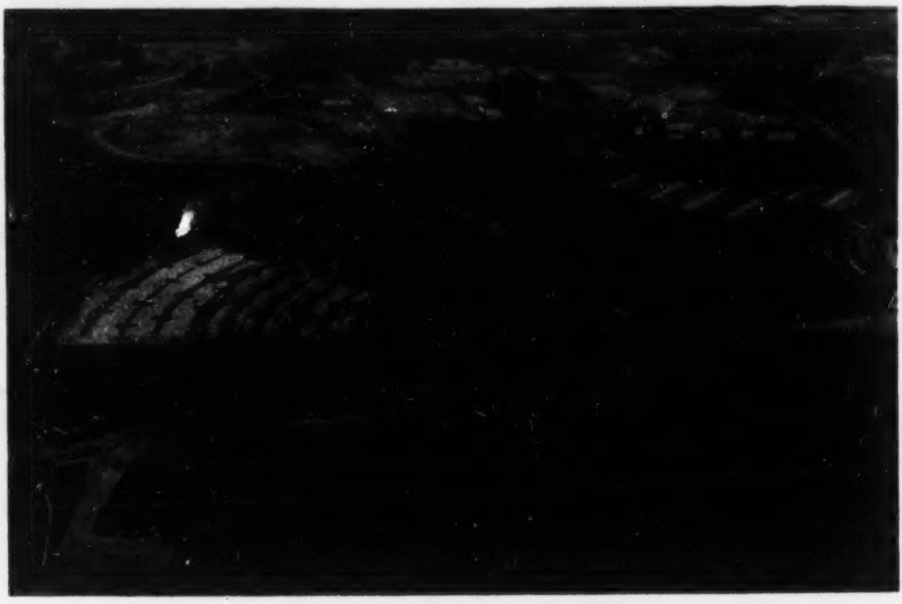
Admiral ZOBEL. We can get the breakdown, Mr. Chairman, for the record, for military and civilian.

[The information follows:]

NSB, KINGS BAY, GA

Total government employment at Kings Bay currently stands at just under 2,700, comprised of 2,100 military and 600 civilians.

Commander HULL. This depicts the entire military construction program at Kings Bay. It totals to just over $1.6 billion. This portion that is highlighted in red represents the approved funding to date, totaling $285 million. And I might add that the $1.6 billion compares rather favorably with our experience at Bangor when we recognize that there is a considerable difference in the dredging requirements at Kings Bay and in the site development heeded in the lowlands of southeast Georgia. Also, we had an existing weapons station at Bangor, and we used many of those facilities in the construction of that base.

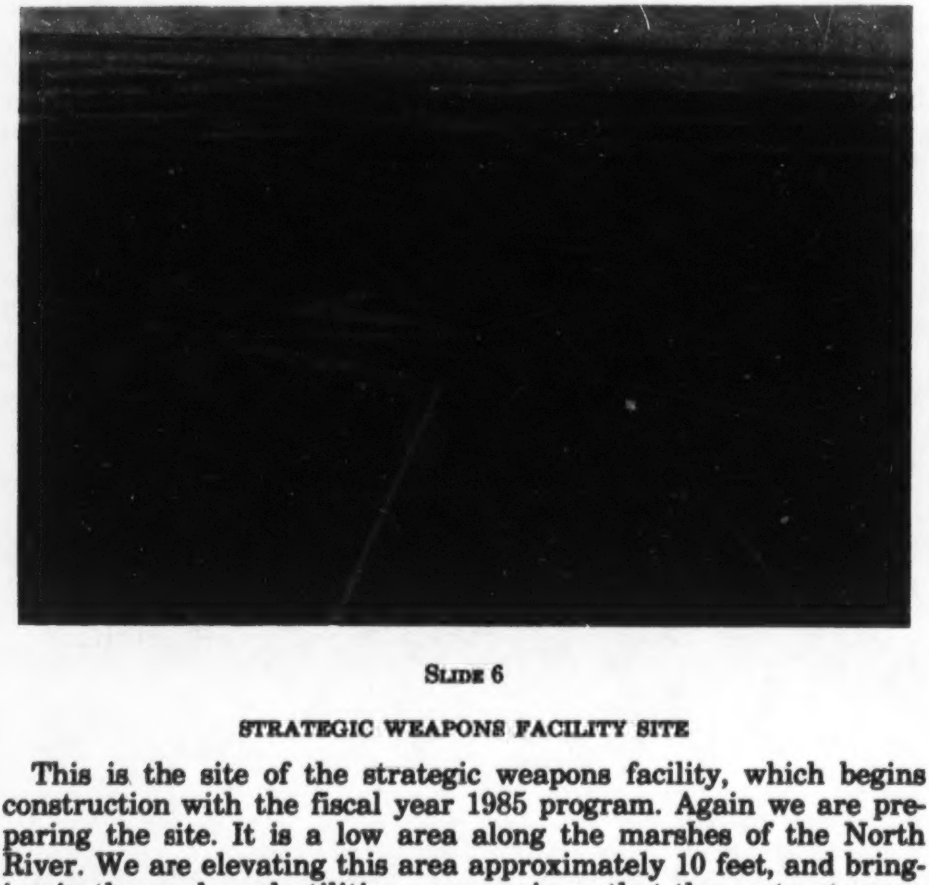


SLIDE 5

TRIDENT TRAINING FACILITY

This is the core area at the west end of the base. This is the site of the Trident training facility. We have gone ahead with the site development in advance of construction, which will start with the award of that contract in June of this year. You can see that we have the roadways, the parking, and the drainage system in, and the utility systems are in place, so that the contract will be able to proceed with the vertical construction.

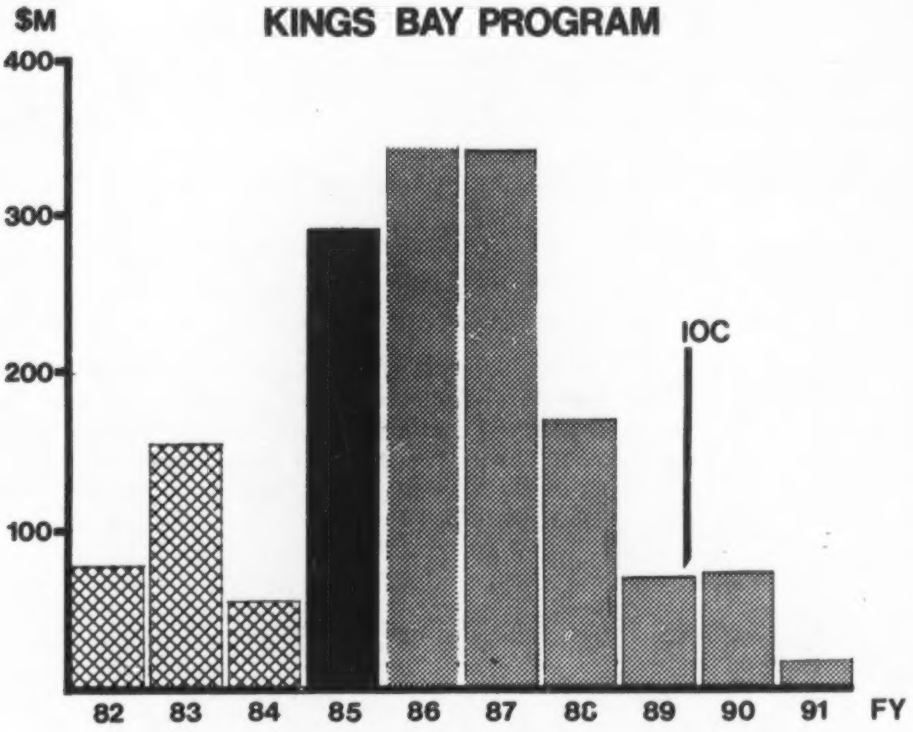
Also funded out of that fiscal year 1982 to fiscal year 1984 program is an enlisted dining facility, an increment of unaccompanied enlisted housing. As part of this industrial area, a thermal plant will provide medium temperature hot water and chill water for heating and cooling. The child care center is up here in the family housing area.



SLIDE 6

STRATEGIC WEAPONS FACILITY SITE

This is the site of the strategic weapons facility, which begins construction with the fiscal year 1985 program. Again we are preparing the site. It is a low area along the marshes of the North River. We are elevating this area approximately 10 feet, and bringing in the roads and utilities, once again so that the contractor can proceed with vertical construction once awarded. This will bring the critical facilities sited here out of the 500-year flood plain.



SLIDE 7

KINGS BAY FUNDING

Back to our program chart, in the fiscal year 1985 program you can see we are requesting approximately $300 million, more than the total that has been approved for funding to date at Kings Bay.

FISCAL YEAR MCON PROJECTS AT KINGS BAY

[In millions of dollars]

Project No.	Project title	Amount
Strategic weapons facilities:		
P-311	Strategic weapons facility	$81.7
Refit facilities:		
P-145	Refit industrial facility	25.00
P-175	Refit wharf no. 1	33.00
P-176	Waterfront services facility	6.77
Trident training facility:		
P-1238	Trident training facility	59.70
Dredging:		
P-127	Dredging	45.20
Infrastructure:		
P-131	Utilities and site improvement	23.80
Personnel support facilities:		
P-160	Base administration building	7.32
P-254	UEPH	4.27
Subtotal		286.76

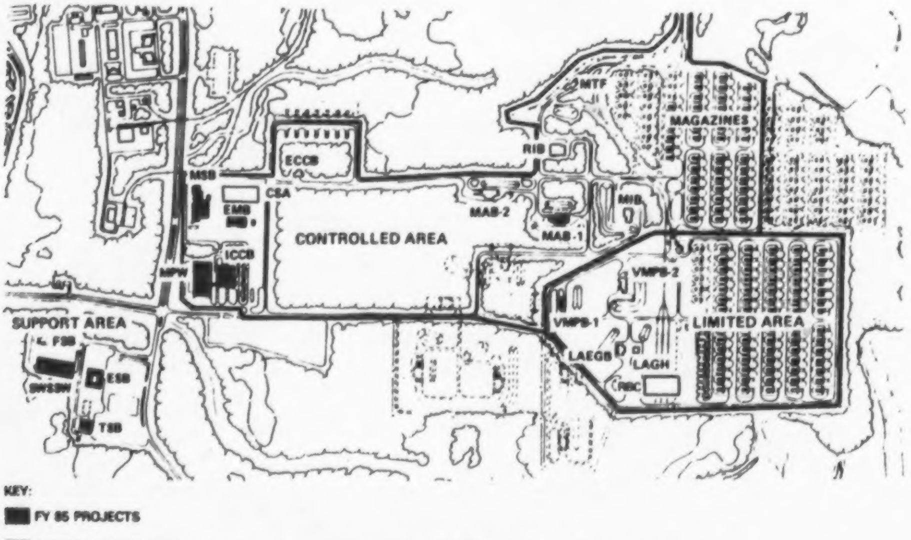
FISCAL YEAR MCON PROJECTS AT KINGS BAY—Continued

[In millions of dollars]

Project No.	Project title	Amount
Community impact assistance:		
P-900	Community impact assistance	4.90
Total		291.66

PROJECTS AT KINGS BAY

This is a list of the 10 projects comprising the program at Kings Bay, totaling $291 million, and including just under $5 million for community impact assistance. I have broken these projects out by the major functional areas that I pointed out on the master plan. I would like to show you other site plans to further describe these projects.


MTF
MAGAZINES
RIB
ECCB
MSB
CSA
EMB
MAB-2
MAB-1
MIB
CONTROLLED AREA
ICCB
MPW
VMPB-2
VMPB-1
LIMITED AREA
LAEGB
LAGH
RBC
SUPPORT AREA
FSB
SWSSW
ESB
TSB
KEY:
FY 85 PROJECTS
POST-FY 85 PROJECTS

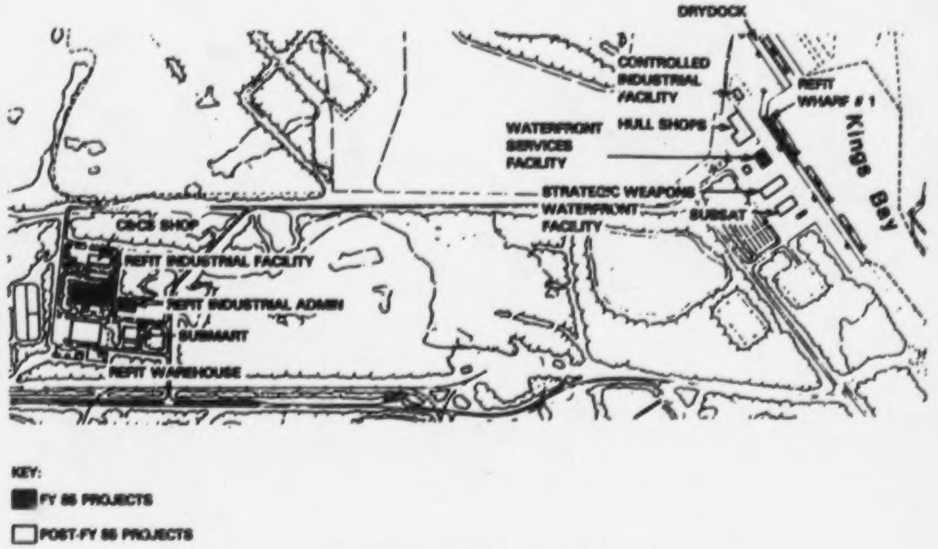
STRATEGIC WEAPONS FACILITIES

SLIDE 8

STRATEGIC WEAPONS FACILITIES

The strategic weapons facilities—at this site we will receive, inspect, and store the various components that make up the Trident II missile, assemble them, arm the missile, and either store it or move it to the waterfront for loading aboard a Trident submarine. The black blocks represent the individual facilities that are included in this project.

In fiscal year 1985, we are requesting just under $82 million to begin construction of this site. The total cost of the strategic weapons facility will be approximately $400 million.

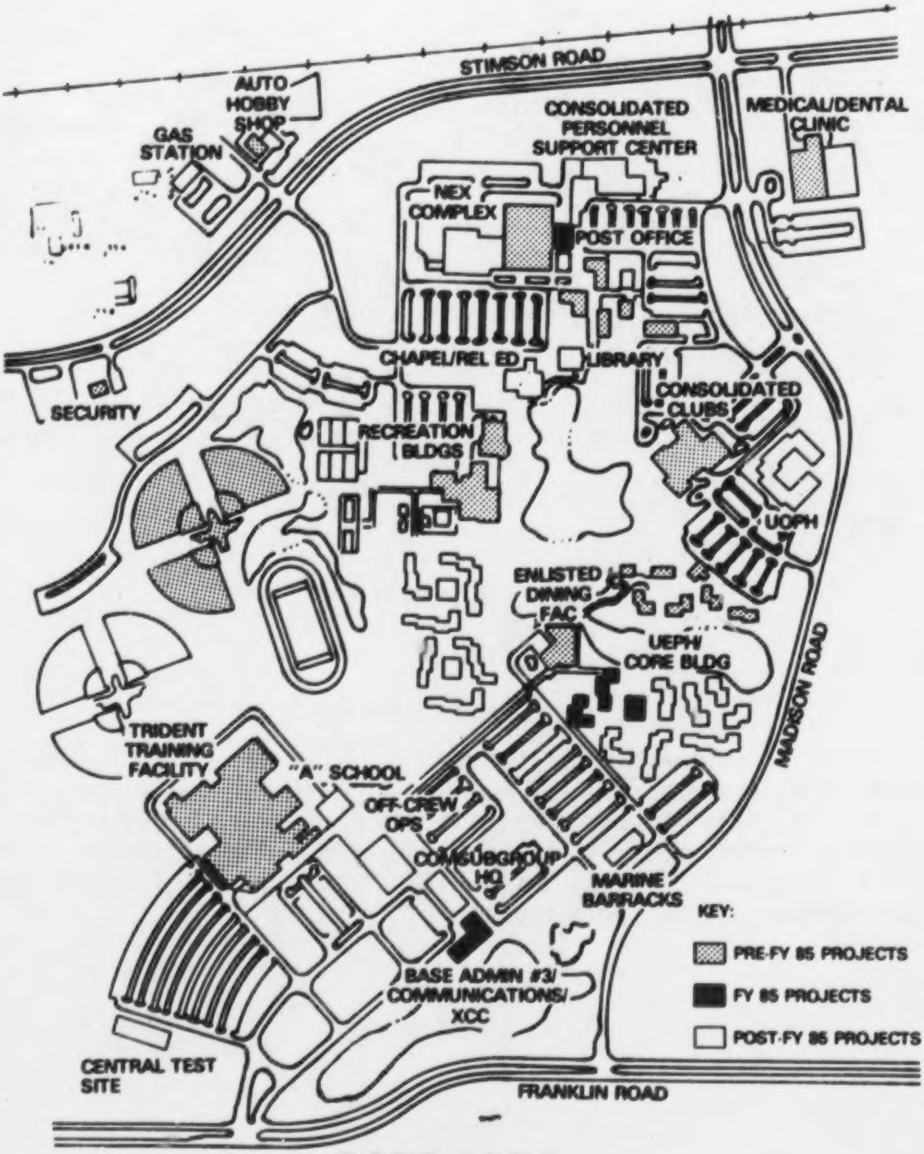

DRYDOCK
CONTROLLED INDUSTRIAL FACILITY
REFIT WHARF # 1
WATERFRONT SERVICES FACILITY
HULL SHOPS
Kings Bay
STRATEGIC WEAPONS WATERFRONT FACILITY
SUBSAT
C&CS SHOP
REFIT INDUSTRIAL FACILITY
REFIT INDUSTRIAL ADMIN
SUBMART
REFIT WAREHOUSE
KEY:
■ FY 85 PROJECTS
☐ POST-FY 85 PROJECTS

REFIT FACILITIES

Slide 9

REFIT INDUSTRIAL FACILITIES

The refit industrial facilities—waterfront facilities, including refit piers, the drydock, and various support shops to support the waterfront refit and a main side refit complex with heavy industrial shops, warehousing and logistic support facilities. Our request for fiscal year 1985 is $65 million. The total cost of the refit facilities is approximately $380 million.


STIMSON ROAD
AUTO HOBBY SHOP
GAS STATION
CONSOLIDATED PERSONNEL SUPPORT CENTER
MEDICAL/DENTAL CLINIC
NEX COMPLEX
POST OFFICE
SECURITY
CHAPEL/REL ED
LIBRARY
CONSOLIDATED CLUBS
RECREATION BLDGS
UOPH
ENLISTED DINING FAC
UEPH/ CORE BLDG
MADISON ROAD
TRIDENT TRAINING FACILITY
"A" SCHOOL
OFF-CREW OPS
COMSUBGROUP HQ
MARINE BARRACKS
KEY:
PRE-FY 85 PROJECTS
FY 85 PROJECTS
POST-FY 85 PROJECTS
BASE ADMIN #3/ COMMUNICATIONS/ XCC
CENTRAL TEST SITE
FRANKLIN ROAD

CORE AREA

SLIDE 10

TRIDENT TRAINING FACILITY

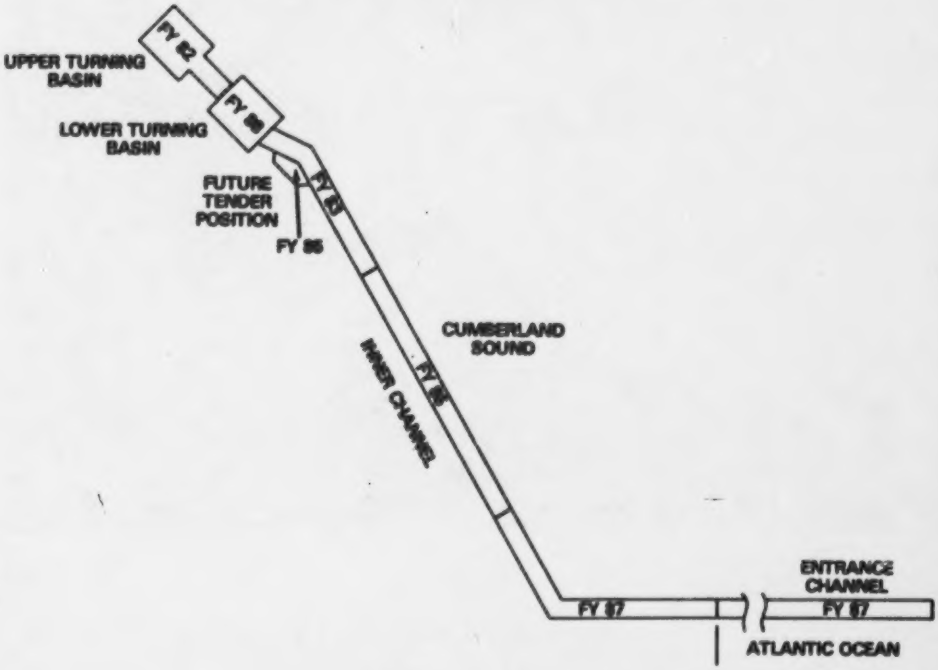
Once again, for the core area or the personnel support area at the west end of the base, the largest project in the program this year is the Trident training facility, which you will recall was fully authorized in fiscal year 1984 and funded in the amount of $17 million. We are requesting this year just under $60 million to complete the funding for construction of this project.

At this time, I would like to express my appreciation to your committees for the support of this vital project.

We also have a base administration and communications facility. We add the administrative facilities as the base grows and the requirement for space expands accordingly. More importantly, we have integral to this facility a communications complex that is surrounded by the administrative spaces, both for functional reasons and for physical security as well.

We continue to add unaccompanied personnel housing as the base loading increases and the demand for that housing grows.

KINGS BAY DREDGING


FY 82
UPPER TURNING BASIN
FY 83
LOWER TURNING BASIN
FUTURE TENDER POSITION
FY 85
FY 83
CUMBERLAND SOUND
INNER CHANNEL
FY 85
ENTRANCE CHANNEL
FY 87
FY 87
ATLANTIC OCEAN

SLIDE 11

DREDGING

Dredging is also a phased project. We started early on at the head of Kings Bay and began dredging our way seaward. The fiscal year 1985 portion provides dredging of two construction sites—one for relocation of the tender out of the way of Trident construction and a site for a magnetic silencing facility, in the fiscal year 1987 program. The bulk of the project provides for the dredging of nearly 12 million cubic yards, extending the inner channel of Kings Bay. At that point we will be halfway through, approximately, remainder is presently programmed in fiscal year 1987.

Senator THURMOND. Speaking of dredging, what is the total cost of the dredging?

Commander HULL. Approximately $150 million, sir. We are requesting $45 million in fiscal year 1985.

Senator THURMOND. Now, is that going to take care of it in the future?

Commander **Hull**. There would be a continuing requirement for maintenance dredging. I would add, however, that we have done an extensive modeling of the bay and are doing studies now to determine how to mitigate shoaling to reduce that continuing maintenance investment.

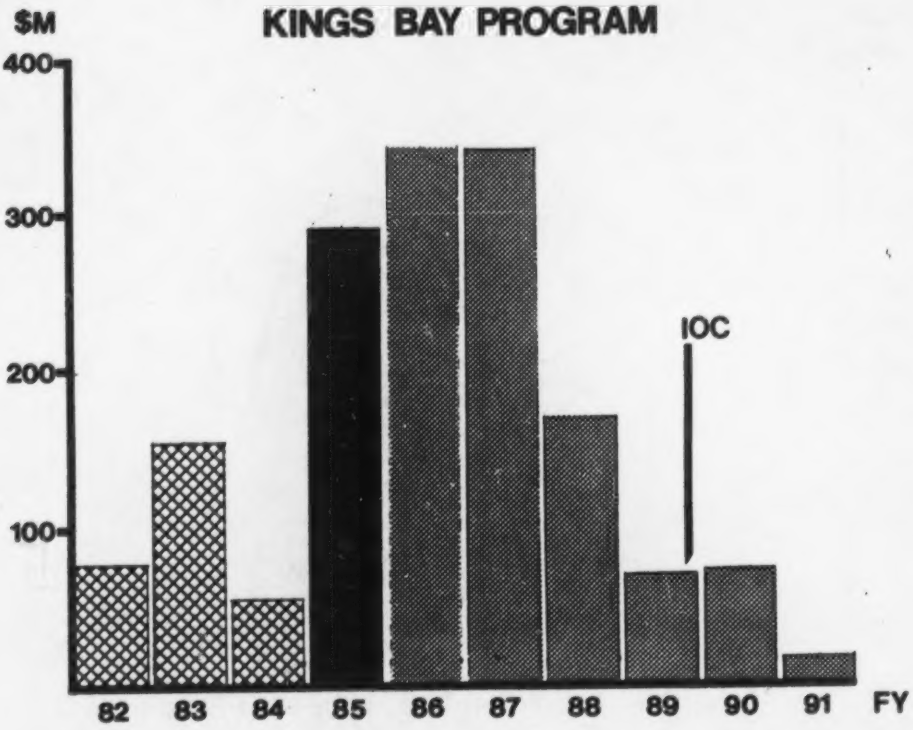
Senator **Thurmond**. This dredging is a very expensive thing.

Commander **Hull**. Yes, sir. We have different techniques to either reduce the volume of deposition or to cause the shoaling to take place where we can economically dispose of it.

Slide 12

AERIAL VIEW OF KINGS BAY

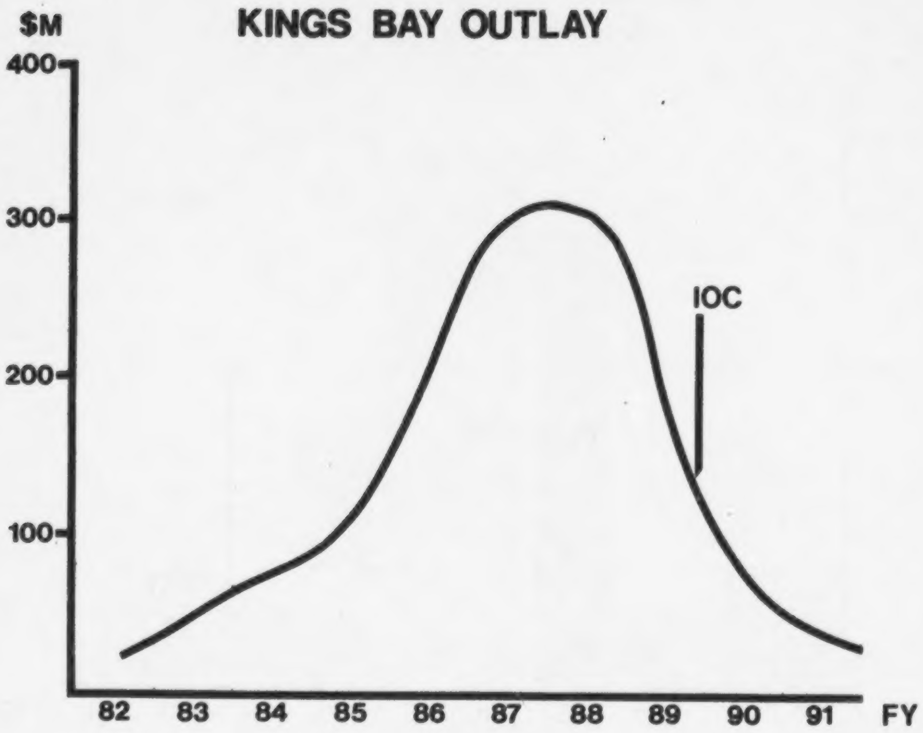
Once again, another aerial view of Kings Bay and a Poseidon submarine alongside the fender for refit. Dredges are at work in the bay. I have this to point out this relatively unspoiled area of the waterfront that exists now. You will recognize the site of the refit piers, the waterfront refit facilities and the drydock in this location. In the 1985 program we have requested just under $24 million for the development of this site—the clearing, filling, and stabilizing—and to bring in utilities, all to support the construction of the vertical facilities.



SLIDE 13

OVERALL PROGRAM CHART

Once again, back to the overall program chart. I have taken you through the fiscal year 1985 program. I would like to point out that we have two big years yet ahead of us in military construction. This aggregates to approximately $1 billion of the $1.6 that I mentioned as the total pricetag. It is important that it come in this sequence if we are to meet the initial operating capability requirement of this base in December of 1989.



SLIDE 14

OUTLAYS

Now this program chart translates to an outlay approximated by this curve. The key thing to note here is in the period from 1986 to 1988, where we are forecasting an outlay of approximately $1 million a day, sustained over 3 years. That is a huge effort. I might say, referring back to our Bangor experience, that we averaged $1 million a day for 1 year there, so we feel we can do this. But there is little slack, little margin for error. As you can see, we still have a lot of work going on at IOC, initial operating capability, at the end of 1989.

Also, this outlay graph represents construction of facilities which then must be outfitted with highly sophisticated equipment, tested, and then show run through as a production exercise before we can actually begin production specifically, production of Trident II missiles, starting in the late summer of 1988.

PRESIDENTIAL COMMUNITY AT KINGS BAY

Senator THURMOND. What is the nearest community?

Commander HULL. It is contiguous to the town of St. Mary's.

Senator MATTINGLY. It is right there at the area. St. Mary's is right by Kings Bay itself.

Senator THURMOND. I understand it was put there because it was away from people.

Commander **Hull**. The siting of facilities is such that there is a separation distance that would protect people from any event on the base.

Senator **Thurmond**. Any danger to civilians?

Admiral **Zobel**. No, sir. We have an equivalent safety quantity distance arc that is extended from all of those areas where we will be handling ammunition and the explosives. That safety distance arc doesn't encompass any of the people in the area; as a matter of fact, even the people on the base, except those specifically working on those things.

Senator **Mattingly**. Let me say also, for the many years before that it was owned by the Army and it was a storage facility for explosives and ammunition back then, so they are used to it.

Admiral **Zobel**. We have been through a complete environmental impact statement too, Mr. Chairman, which is a very thick document that looks at all the impacts on the environment, and it has all been approved.

TRIDENT TRAINING FACILITY

Senator **Mattingly**. Let me ask you a question about the Trident training facility. Since only a portion of that total cost of the project was appropriated in order to accommodate other projects, was there a problem in proceeding with that contract?

Admiral **Zobel**. No, sir. We expect to go ahead with that in June.

PROJECT SAVINGS

Senator **Mattingly**. Do you think there are going to be savings realized during fiscal year 1984, the year that we are in, as far as to complete the project?

Admiral **Zobel**. From that specific project, we don't know, of course, until we get the bids. We have had a very fine bidding season for the last couple of years. Hopefully, that will continue for some time. As I indicated before, we anticipate our overall savings in the program to be somewhere between $50 and $80 million on fiscal year 1984 and prior work.

Senator **Mattingly**. With regard to that community impact assistance that you are talking about for the local community, what roles is the Navy playing to ensure that these funds are provided in the fastest, most direct manner?

Admiral **Zobel**. We have recently gotten ten together with the Secretary of Defense's office and agreed that the Navy would play, in effect, a construction agent role and do whatever they needed on the site to ensure that the funds were being properly expended. The Office of Economic Adjustment in SECDEF's office has agreed to be the fund's grantor, and therefore, I think you will see that everything will move fairly smoothly.

Senator **Mattingly**. I am glad to see that will be accomplished. There was some concern at the beginning.

Admiral **Zobel**. Yes, there was.

Senator **Mattingly**. Since they put that in, that is going to be a big help.

Now is the Trident program, and I think in your presentation you said it was on schedule for the ICC of December of 1989?

Admiral ZOBEL. Yes, sir.

Senator MATTINGLY. So it will be ready?

Admiral ZOBEL. With this program, the way it is constructed right now, it will be ready, yes, sir.

Senator MATTINGLY. OK. Let me ask you another thing, Admiral Zobel. I understand that the Navy as well as the other services have completed—either starting or completing action on that budget drill to bring the defense budget numbers into line with the President's deficit reduction package.

Admiral ZOBEL. Yes, sir.

Senator MATTINGLY. I think it is safe to assume that the Navy military construction program was involved in that exercise; is that correct?

Admiral ZOBEL. Yes, sir. It is my understanding that the total program, all of the budget, is being reduced.

Senator MATTINGLY. Can you tell us what the outcome of this drill has been in regard to your own program?

Admiral ZOBEL. No, sir, because I have not been privy to it yet.

Senator MATTINGLY. You passed it up?

Admiral ZOBEL. It never came down.

Senator MATTINGLY. Since the project, the Kings Bay project, comprises such a large portion of the overall Navy program and yet it is such an important strategic program, have you had to make any changes in the overall Trident schedule?

Admiral ZOBEL. I haven't seen any yet, no, sir. I think there is that potential, but I just haven't seen any of those so I don't have any idea.

CHILD CARE CENTERS

Senator MATTINGLY. I am going back to a question that Senator Thurmond asked you about the child care centers. You said the rate was down to $35. Maybe you could pass information along to the Senate. The Senate is now going into the child care business, and I understand it is up in the $75 to $85 range, so you might be able to explain to them how to keep it lower.

U.S. MILITARY CONSTRUCTION ROLE IN CENTRAL AMERICA REGION

A lot of attention is being focused now on the administration's plan for the Central America region. What role is the Navy playing in this U.S. military presence in Central America?

Admiral ZOBEL. I suppose your comment is directed to military construction? That is the only thing I can talk to. Anything outside of that, I am not really an expert on.

Senator MATTINGLY. Yes.

Admiral ZOBEL. Military construction has absolutely no role in Central America. We haven't put any Navy military construction dollars there. And I am talking Navy now; I don't know about the other services.

Senator MATTINGLY. Does the Navy have any funds included in fiscal year 1985 Milcon budget for specific projects in Honduras?

Admiral ZOBEL. No, sir.

Senator MATTINGLY. What about the planning and design funds?

Admiral ZOBEL. No, sir.

Senator Mattingly. Nothing earmarked in any of your requests for Honduras?

Admiral Zobel. No, sir.

FACILITIES IN CARIBBEAN BASIN

Senator Mattingly. What construction is requested in this budget for facilities in the so-called Caribbean Basin?

Admiral Zobel. I don't think there is anything. Oh, all right. If you are including our bases at Roosevelt Roads, the Panama Canal and, yes there is some construction there. Guantanamo Bay.

[Additional information follows:]

Naval Station Guantanamo Bay, Cuba, Gymnasium, $2,860,000.

The gymnasium will serve the recreational needs of the service people and their dependents living on the base as well as those assigned to visiting ships. There is no indoor gymnasium on the base. The hot weather, humidity and insects make outdoor exercising and intramural sporting activities very difficult and in some cases dangerous to the health.

Refresher Training Building, $3,620,000.

The refresher training building is a replacement of an undersized and worn-out facility. The building will be used by the Fleet Training Group to train crews of ships undergoing shakedowns and refresher training in the Caribbean. The increase in the number of visiting ships has resulted in the need for more classrooms and training areas in the Fleet Training Center.

Family Housing, $12,430,000.

New construction of 100 units to reduce an existing deficit in housing for permanently assigned military personnel.

Naval Station, Panama Canal, Unaccompanied Enlisted Personnel Housing, $1,580,000.

There has been a long-standing requirement for a UEPH to replace existing, completely inadequate barracks. Will house up to 64 persons, and remain in use by the Navy until the year 2,000, as a minimum.

Atlantic Fleet Weapons Training Facility, Roosevelt Roads, Puerto Rico, Land Acquisition, St. Croix, $600,000.

The land to be acquired is a parcel the Navy now leases for its underwater tracking range (UTR) facility, plus parcels of land surrounding the leased land. The UTR is used by Atlantic Fleet anti-submarine warfare (ASW) forces to practice tracking submarines or underwater targets. Buying the land will allow the Navy to replace a trailer complex with a permanent and properly outfitted range facility. Permanent construction is not permitted on leased land.

Naval Station Roosevelt Roads, Puerto Rico, Waterfront Operations Facility, $2,550,000.

Replace facility which is severely deteriorated and a fire hazard. The operations facility is used by the harbor control office, harbor pilots, tug boat operators and maintenance crews around the clock.

Pay and Personnel Support Office, $1,090,000.

Consolidates personnel support functions into a single new facility, including accommodating new computer equipment. Facilities now in use are deteriorated and outmoded as well as dispersed.

Fuel Storage, $10,675,000, (Defense Fuel Support Point) Additional contingency reserve storage for aviation fuel.

LAND FOR GUANTANAMO

Senator Mattingly. What are the plans for Guantanamo?

Admiral Zobel. We have 100 units of family housing scheduled for Guantanamo Bay, a gym and a training building.

[Additional information follows:]

The Navy intends to remain at Guantanamo Bay indefinitely. The Naval base represents a valuable training asset and military presence in the Caribbean. The base is used as a staging station for Atlantic Fleet ships undergoing shakedowns and refresher training. The good weather and close proximity to open ocean training areas make Guantanamo an ideal location for Fleet Training Center. With the

increase in the number of ships in the Atlantic Fleet, a result of the restrengthening of the Navy, there is more training activity at Guantanamo Bay.

Under the provisions of the Agreement of 2 July 1903 and the Cuba Treaty of 1934, the term of the lease is indefinite and cannot be terminated except by mutual consent. The Castro government would readily terminate the lease if unilateral action were all that was required. However, the U.S. has no intention of giving up this important Naval base.

Senator MATTINGLY. OK. The question that came up yesterday, I believe someone was asking about when that lease expired.

Admiral ZOBEL. Mr. Murphy can speak to that.

Mr. MURPHY. Sir, the treaty of 1903 has no expiration date. It expires only on the mutual consent of both parties. So in a sense, it is an open-ended treaty.

Senator MATTINGLY. OK. I assume that in the military construction budget there was a statement put in last year about precluding any Milcon projects until the regional plan is accomplished in the Central American region.

Admiral ZOBEL. Yes, sir.

Senator MATTINGLY. You are aware of that?

Admiral ZOBEL. Yes, sir.

SANTA MARGARITA WATER PROJECT

Senator MATTINGLY. Let's get to the Marines. Now unfortunately the Marines usually don't have anything sexy in their program like the B–1, the MX or the Trident program, which is located in Georgia, so it makes it difficult to question them, as most of the requests are very straightforward.

However, you have mentioned this before about the $142 million for the Santa Margarita water project, and you all explained it to us. Why have they requested $142 million in appropriation? My understanding is they only need $1.5 million next year if the project is approved.

General BUEHL. Well, sir, the President's budget is what contains the $142 million, and that is the request that we have been directed to make for that particular project. It is a 7-year project, I must tell you.

Senator MATTINGLY. Seven-year project, OK. Seven into $142. Are some of those done through energy and water appropriation bills, some of those projects?

General BUEHL. Sir, a number of people are going to have to deal with the Senate and House Committees on Interior and Insular Affairs. Some action is required there. I may remind you that the full Senate passed S. 805 on the 15th of June 1983, which authorized the Department of Interior to construct the project, and the House Water and Power Resources Subcommittee held a field hearing on the 4th of November 1983 in San Diego. And then of course there are additional House hearings expected in April of 1984.

So there are a number committees involved in this. The $142 million that would be our share of the project would come out of the Navy funding form military construction.

WASHINGTON NAVY YARD

Senator **Mattingly**. OK. You requested $19 million for some office space at the Navy Yard. Can you all describe this project and what it accomplishes?

Admiral **Zobel**. The Washington Navy Yard?

Senator **Mattingly**. Yes.

Admiral **Zobel**. Yes, sir. This year we plan to, in this program, rehabilitate building 111, which will move a few people in there that are additional people to the Washington area. There are a few people coming out of Suitland, but they will also be replaced. But, it is not part of the large project that you saw in a previous year's program, which would move people out of Crystal City. Nobody is coming out of Virginia.

ADAK, ALASKA HOUSING

Senator **Mattingly**. One last question. Senator Specter has just come in. Your budget request has got a $61 million item in there for new housing in Adak, AK. Would you describe that project and explain the high cost and how you estimate?

Admiral **Zobel**. I would like to ask Captain O'Connell to talk to that, in Adak.

Captain **O'Connell**. Yes, sir. The project started out as a repair project for 308 units. But in doing an economic anaylsis of that repair, we learned that with the poor condition of the units which are over 20 years old, that it was more cost effective to replace them. That is why we have proposed replacement of the 308 units, as well as the construction of an additional 97 units to reduce the waiting time for personnel bringing their families to Adak.

The high cost is attributed primarily to the shipping of manufactured housing that we plan to use in that facility, but we think the manufactured housing is appropriate for that location. We have done it before because it takes advantage of the short construction season, which would otherwise make the project even more expensive to do, as well as the high labor rate of any work done in an island.

Se we think we have a very cost-effective project, even though it appears to be a high unit cost.

Senator **Mattingly**. OK. The ranking member has come in, Senator Sasser, and also Senator Specter has come in.

Senator **Sasser**. Mr. Chairman, if it is satisfactory with you, I would defer to Senator Specter.

Senator **Thurmond**. We would be glad to hear from Senator Specter.

CONGRESSIONAL WITNESSES

STATEMENT OF HON. ARLEN SPECTER, U.S. SENATOR FROM PENNSYLVANIA

PHILADELPHIA NAVAL YARD MODERNIZATION

Senator SPECTER. Thank you very much.

I appreciate this opportunity to appear before the Armed Services and Appropriations Subcommittees on four items of significant importance in Pennsylvania. Three of them have been the request by President Reagan for the fiscal year 1984 and one is in fiscal year 1985, and I would like to start with that one because I believe that poses an emergency situation which I request the subcommittees to evaluate in the overall allocation of funds.

Now this involves $12.6 million for the modernization of the electrical distribution system of the Philadelphia Naval Yard and it is programed in fiscal year 1986. My request to the subcommittees is to move it ahead to fiscal year 1985 because of an emergency situation which, as I understand it, has arisen there where there have been some 131 power outages in the last 2 years due to overloading of the present system.

The Navy, as long ago as 1974 in its shipyard modernization study, specified the deficiencies and hazards of this system. That study cited specific violations of a variety of codes—the National Electrical Code, Naval Facilities Engineering Command Design Manual, and various OSHA regulations.

There is a problem with the risk of significant personal injury to people there. One recent power outage resulted in 1,500 people being sent home on an 8-hour administrative leave tour. The sum of money here, $12.6 million, is significant but not overwhelming in the context of the overall budgets. And it would be my hope and my request that the subcommittees could find a way to accomodate this on a 1-year expedited basis. I think there are some places perhaps where there might be some variations made to move this $12.6 million ahead.

MECHANICSBURG, PA, FACILITY

I will be very brief, Mr. Chairman, as to the balance of what I have to say because I think these matters are already fairly well established or on the record. One is $15.3 million for the Navy Ships Parts Control Center in Mechanicsburg, PA, which was noted at page 33 of the Appropriations Subcommittee's report of last year, where the committee supports and has gone through the data and did not appropriate the money because there had not been authorization.

These funds, as I understand it, have been appropriated by the relevant House committees. I could expand on that, but I believe the revelant detail is already contained in last year's Appropriations Subcommittee report.

A second line is an $18 million Department of Defense budget for the defense depot in Mechanicsburg, and that also has received the support of the Appropriations Subcommittees noted at page 40 of the record. And that, like the earlier item for Mechanicsburg, is part of the President's request, and I could amplify that, too, but I believe it has already been established. What we really need to do is get the approval of the Armed Services Committee on authorization.

The final item, which has been endorsed by the President's budget, is $7.8 million for site acquisition and preparation for a 40-acre supply distribution center at the New Cumberland Army Depot, which has an important supply mission for NATO, and the essence is a need for automated warehouses.

PREPARED STATEMENT

If I may, Mr. Chairman, I would like to ask that the full text of my testimony be included in the record. I have simply highlighted the portions and again coming down on the specifics of the Philadelphia Naval Yard situation, where I would certainly hate to see that situation go on because I think someone is likely to get hurt there, as well as losing substantial money due to those power shortages.

[The prepared statement of Senator Specter follows:]

Prepared Statement of Hon. Arlen Specter, U.S. Senator From Pennsylvania

Distinguished Chairmen, I would like to thank you for the opportunity to testify before the Subcommittees on Military Construction. I must commend you for the excellent jobs you have done as Chairmen of these Subcommittees.

At this time, I would like to express my strong support for authorization and appropriation by these Committees of three items included in the Administration's request for fiscal year 1985: $15.3 million for the Navy Ships Parts Control Center in Mechanicsburg, Pennsylvania, $18 million for the Integrated Materials Complex (IMC) at the Defense Depot in Mechanicsburg, and $7.8 million for site acquisition and preparation for a 40-acre supply distribution center at the New Cumberland Army Depot; as well as one item not requested by DOD for fiscal year 1985, $12.6 million for modernization of the electrical distribution system at the Philadelphia Naval Shipyard.

It is my understanding that funding for the two projects at Mechanicsburg was requested by the President in fiscal year 1984, authorized by the House Armed Services Committee, recommended by the House Appropriations Committee, supported in report language by the Senate Appropriations Subcommittee on Military Construction, and yet was not authorized by the Senate Committee on Armed Services.

The Administration has requested for fiscal year 1985 $15.3 million for a new Automated Data Processing Equipment (ADPE) Center to house the computer center for the Navy Ships Parts Control Center (SPCC) in Mechanicsburg, Pennsylvania. The project is needed to safeguard a $350 million investment in computer hardware and to ensure continuity of supply, maintenance, and readiness operations in support of the Navy's surface and submarine forces. The contract was signed on February 14, 1984, and installation of computers begins today, March 22.

The Ship Parts Control Center is critical to logistics management throughout the surface and submarine Navy, and is the center of support for defense systems such as the TRIDENT submarines, Shipboard Nuclear Power Plants, conventional ammunition and the new maintenance philosophy for FFG-7 Class Guided Missile Frigates. Ship Parts Control Center, I am informed, also buys, sells and manages hundreds of thousands of line items of supply valued in excess of $20 billion and controls their movements worldwide. The Navy has an aggressive program to completely replace and upgrade the computer hardware at SPCC.

The present facility at Mechanicsburg is a forty-year-old wood frame warehouse covered with combustible fiberboard that has been converted and modified for use as administrative and automated data processing space. It is my understanding that it is a fire hazard, that its electrical and mechanical systems are substandard, and that the current space made available for the systems installed is approximately 25% below industry standards recommended for maintainability, cooling, and operation. $15.3 million is urgently needed to house the new computer system.

The second major project in Mechanicsburg is the construction by the Defense Logistics Agency of an Integrated Materials Complex. Currently, the Defense Depot in Mechanicsburg, I am informed, is the primary depot for Defense Logistics Agency support of the military forces in the Northeastern U.S. and in Europe. It is my understanding that the Depot faces two problems: (1) the Depot Materials and Control System, because of age, slowness, dependence on human intervention and limited capacity, would not be able to provide adequate support to U.S. forces in the Northeastern U.S. and Europe in the event of mobilization; and (2) the Navy has an urgent requirement for space, now used by the Defense Depot, for storage of ship propulsion machinery.

For these reasons, $18 million in MILCON funds is needed for construction of a new 42′ high building to house modern storage and retrieval equipment, as well as changes to some existing buildings. The new building will provide additional storage for the mission and free 680,000 square feet of warehouse space for the Navy.

Further, I urge this Committee to authorize $7.8 million for site acquisition and preparation for a 40-acre supply distribution center at the New Cumberland Army Depot. These funds will go toward the construction of a large automated warehouse, which will vastly improve the New Cumberland Army Depot's mission of supplying equipment to NATO.

Finally, I urge the Committee to authorize $12.6 million for modernization of the electrical distribution system at the Philadelphia Naval Shipyard.

The House Military Construction Report for FY 1984 directed the Navy to "initiate design immediately on the (Philadelphia Naval Shipyard's) electrical substation in order to have the project at 35% design for inclusion in the Fiscal 1985 Military Construction Program." According to Navy and Shipyard officials, this project is now at 35% design, and it is estimated that 100% design could be achieved within six months. Moreover, I am informed that, were the project budgeted for Fiscal Year 1985, a contract could be awarded in the second quarter of that fiscal year.

The Philadelphia Naval Shipyard is one of America's most important military facilities. Of the eight naval shipyards in the U.S., only two on the East coast—in Philadelphia and in Norfolk—are capable of repairing our fleet's aircraft carriers. The shipyard is currently servicing the U.S.S. Forrestal under the Service Life Extension Program (SLEP), and the third ship of that program, the U.S.S. Independence, is due for servicing in Philadelphia in early 1985. In addition to refittings to be performed under SLEP, which will continue through the end of the century, the Philadelphia Naval Shipyard will become a reserve fleet homeport for four Navy FFG–7 class frigates later this year. Moreover, at least seven first-line ships are scheduled for overhaul Philadelphia this fiscal year.

Despite the fact that the Philadelphia Naval Shipyard is one of America's most important military assets, and that its workload is presently increasing, the military construction money necessary to meet its tasks in the safest and most efficient manner has not been forthcoming. I have visited the shipyard personally on several occasions, and, while I am convinced that the products turned out there are second to none, I can attest to the need for modernization. Especially problematic is the shipyard's electrical distribution system, which is now over forty years old. Ironically, this aged electrical system is being called upon to modernize our fleet's most important vessels with our latest equipment.

This component of the shipyard's physical plant was identified as deficient as long ago as 1974, when the Navy's Shipyard Modernization Study was completed. That study placed the shipyard's electrical distribution system in the Fiscal Year 1979 military construction program and cited violations in Section 110–9 of the National Electrical Code, Chapter 3 of the NAVFAC design manual DM–4, and various Occupational Safety and Health Administration (OSHA) regulations. A continual growth in activities at the shipyard has taxed the existing system even more since then. The shipyard is currently experiencing, on a near-regular basis, severe power outages which affect costs, delay production, and threaten worker safety. I am informed by shipyard officials that, in the past two years, the plant has experienced 131 unplanned shutdowns due to electrical system failure. Recently 1,500 employees were sent home on an eight-hour leave due to a power failure. Reportedly, portions of the shipyard still operate on OSHA-violating open knife switches and switchgear with interrupting ratings less than available at fault current.

The power failures at the Philadelphia Naval Yard continue, and further funding delays for electrical system modernization increase the risks of a major accident and injury to shipyard personnel. The cost of this project is $12.6 million, and it is urgently needed.

I realize that there are constraints on our present levels of spending. The funding of these projects in this coming fiscal year, however, is crucial from the standpoint of military preparedness, personnel safety, and enhanced operational capability.

Congressmen Goodling, Coughlin, McDade, Foglietta, and Murtha of Pennsylvania are working to ensure authorization and appropriation of these projects in the House. I would appreciate your giving these requests your fullest consideration.

I am pleased to say that I have enjoyed fine cooperation from the distinguished Chairmen and members of these Subcommittees in the past. I thank you for your consideration of these matters today.

Senator THURMOND. Thank you very much, Senator. We are glad to have you. I might just mention, because of cuts by Congress in the overall defense budget, we were forced to cut $1.2 billion last year and we cut some perfectly good projects. The Congress is the one that did this. If we had stood with the President like we should have done, we would not have had that.

Senator SPECTER. I would have been here earlier, Mr. Chairman, but I had to make a quorum for a Judiciary meeting this morning.

Senator THURMOND. Very good.

Senator SPECTER. Thank you, Mr. Chairman.

Senator THURMOND. Senator Sasser?

Senator SASSER. Thank you, Mr. Chairman.

MILLINGTON NAVAL INSTALLATION

Admiral Zobel, it is my understanding that two projects at the Millington naval installation right outside of Memphis were dropped from the budget at the level of the Office of the Secretary of Defense. Would you detail for the record what those two projects were and why they were dropped, please sir?

[The information follows:]

NAVAL AIR STATION, MEMPHIS, TN

The two projects are:

[In thousands of dollars]

Location	Project title	Estimated cost
Naval Air Station, Memphis, TN	Applied instruction building	$6,800
Naval Air Station, Memphis, TN	Family services center	800

Note: The projects were dropped from the budget and deferred to a later year because of total budget constraints and their priority relative to other projects in the program.

Admiral ZOBEL. Yes, sir, we will do that. I think one of them was an applied instruction building, as I remember, but it has been a while ago, so I have forgotten just what they were.

Senator SASSER. All right, sir. If you would be good enough to furnish those, we would appreciate it, the two projects that were dropped and the rationale for dropping them.

Admiral ZOBEL. I suppose that the rationale is going to be one of priorities, because that is what it usually is. Everything that we have in the program are all "A" students, but it is very difficult to get everything within that bottom line. There are several adjustments that are made usually at the last minute to try to make it fit.

Senator SASSER. Yes, sir.

QUALITY OF LIFE AT MILLINGTON

Admiral, for several years now this committee has directed the Navy and the Navy Reserve to program the military construction projects required to maintain and improve operational facilities in the quality of life at the Millington installation.

Sometimes it seems to this Senator that the Navy doesn't always take that directive to heart. There is a severe backlog of adequate training facilities at Millington, and I am going to discuss it with my chairman and if he will agree with me, we want to get some stronger report language from the committee this year to the Navy, stressing our interest and concern about this installation.

Admiral ZOBEL. Senator, I might just mention, I was just down there about 2 months ago and took a careful look at Memphis and agree with you that it certainly needs help. We have, though, had a record in the last few years of putting an increased amount of military construction in there, as compared to earlier years. I think it has been wanting. I think you will see that our programs will be taking care of CNTT there at Memphis because it is certainly deserved.

Senator SASSER. Good. I would appreciate that. The Secretary of the Navy and myself were going down there a couple of months ago and he was derailed by some sort of sudden emergency, but I think we are still planning on going down there and looking that installation over. I think I have been successful in pricking his interest in that particular installation, and I appreciate your concern about it, Admiral.

As you know, it has been an ongoing fear in Millington that the Navy might move the flag officer and his staff to Pensacola. Navy officials had told me in the past, however, that they are going to leave the flag officer and his staff there. Is that still the case?

Admiral ZOBEL. As far as I know, yes, sir, I know of no scheduled move.

Senator SASSER. Well, that admiral down there is still operating out of old temporary World War II facilities, and I understand that there had been some renovations going on that are approved at Pensacola, and this has raised new concerns all over again that Pensacola will make an effort to get Millington's flag officer and his staff.

PERMANENT FACILITIES AT MILLINGTON

What plans does the Navy have to provide some permanent facilities for this flag officer and his staff there in Millington?

Admiral ZOBEL. I don't know that those have been scheduled yet. About 3 years from now, I understand, and having gone through that headquarters, I would agree with you that it certainly, is needed. They seem to be making out in what they are in right now, but as you know, it is World War II construction. I am sure you are well aware of that Millington's flag officer and his staff.

We have several of those needs, though, around the country. The rehabilitation job that is being done down in Pensacola of the old hospital is just to take care of the commander of naval education and training, who is CNTT's boss, and not for CNTT. That is for a different purpose, but it is a similar sort of thing, to get then out of old facilities.

Senator **Sasser**. I was through Key West, the Key West Naval Base a few weeks ago, and had a conversation there with a number of people, including the commander of the base. I looked around and I understand the Naval Facilities Command has under consideration a $30 million contingency facility upgrade for Key West.

FACILITY UPGRADE

Describe this facility upgrade which is under consideration if you would please, Admiral.

[The information follows:]

Naval Facilities at Key West, FL

The Navy does not have a $30 million "contingency facility" upgrade program for Key West. However, as announced by the Secretary of the Navy on 9 June 1982, the Truman Annex area of Key West will be reactivated and used as a forward operating base.

To support this reactivation, two military construction projects were requested by the Navy and approved by Congress for fiscal year 1984: Utilities Improvements and Berthing Wharf Improvements, totaling $8,330,000. Navy will also use operating and maintenance funds approximating $6,750,000 in connection with demolition and funds approximating $6,750,000 in connection with demolition and clean-up work in and around the Truman Annex harbor area.

Fiscal year 1983 minor construction funds totaling $1,740,000 are also planned for a fuel line and dredging at Truman Annex.

Construction on most of these projects is expected to commence in Summer 1984. When fully upgraded, the Truman Annex will be able to simultaneously accommodate up to five frigate/destroyer type ships on port vists.

REACTIVATION OF KEY WEST FACILITY

Admiral **Zobel**. Let me just say a couple of words on that and then maybe Mr. Murphy can add even further to it. Back in June of 1982, the Secretary of the Navy decided that Key West would be reactivated as a forward operating base. There were two projects that were involved in fiscal year 1984—$5.5 million for berthing wharf improvements and $2.8 million for utilities. We will be awarding those in a couple of months.

I am not sure about the $30 million. Mr. Murphy, would you like to speak to that?

Mr. **Murphy**. Well, we don't have a $30 million program proposed. The two projects that the admiral described, totaling about $8 million, we have received approval for those and are moving forward.

Now there is some maintenance work involving cleaning up the harbor of debris and clearing out some old piers. That is for an additional $5 million approximately. That is ongoing. But that is the extent of our plans.

Senator **Sasser**. Thank you very much.

KEY WEST CONSTRUCTION

Admiral, for the record, would you describe all construction, from whatever funding source under way at Key West, whether it is construction out of military construction funds or construction out of O&M funds?

Admiral **Zobel**. Yes, sir, we will do that. It is probably in the range of about $13 to $15 million, as Mr. Murphy said.

Senator **Sasser**. All right, sir.

ORDNANCE WAREHOUSE FACILITIES

I am told that the ordinance warehouse facilities at Key West are going to be doubled in size. Do you know what types and amounts of additional ordinance would be stored at this facility expansion?

Admiral **Zobel**. No, sir. Do we know anything about any ordnance facilities?

Mr. **Murphy**. No, sir. We can respond no, that our plans for both military construction and maintenance would not get into the ordnance facilities.

Senator **Sasser**. So the answer is that if I am told the ordinance warehouse facilities are going to be doubled in size, I have gotten incorrect information as far as the Navy is concerned?

Admiral **Zobel**. We find sometimes, Senator, that as you make visits to individual sites, you may find that the commanding officer or somebody locally is in favor of doing something of that sort, but it is not yet programmed, and, therefore we would not know about it.

[The information follows:]

Navy Projects Underway at Key West

Fiscal year	Type	Project	$000	Remarks
1983	MCON	Heat, vent, A/C (NAS)	180	Award September 1983.
1983	Minor	Polline to mole	840	Award summer 1984.
1983	Minor	Dredging	940	Award summer 1984.
1984	MCON	Land acquisition (NAS)	6,810	64 percent complete.
1984	MCON	Utilities improvements	2,800	Award summer 1984.
1984	MCON	Berth wharf improvements	5,530	Award summer 1984.
1984	MCON	Family service center (NAS)	495	Awarded December 1983.
1984	O&MN	Various projects (Repairs to: pier, utilities, berthing inner mole, pavement, fenders outer mole, utilities on mole. Demolish finger piers, clean-up harbor.).	6,750	Award summer 1984, clean-up in progress.

Ordnance Warehouse at Key West, FL

Navy has no proposed project for ordnance warehouse facilities at Key West.

KEY WEST FACILITY MISSION

Senator **Sasser**. Well, this information didn't come from the commanding officer, but I will accept of course your statement that we have gotten erroneous information there.

Admiral, what mission is assigned to the Key West facility in the Joint Chiefs of Staff-approved contingency plans for Central America? I suspect that is going to be a classified response, and if so, I would ask you to provide it for the record, sir.

Admiral **Zobel**. All right, sir. Let me do that. I can say that there is a maximum of two destroyers or frigates that can berth in Key West. The limiting factor there is going to be availability of pier space. There is some Coast Guard capability in Key West, and we expect that those rehabilitated piers at the Truman Annex, which were approved last year, will improve the Navy's response time to any possible contingencies we might have in the Caribbean, and will provide support for ships on training exercises. We can expand on that for the record, and if it is classified, we will so indicate.

Senator **Sasser**. If you would do so, I would very much appreciate it.

[The information follows:]

Missions Assigned to Key West

The Navy's Key West facility is termed the Naval Air Station Key West, consisting of the airfield on Boca Chica Key and the waterfront area at Truman Annex, adjacent to the City of Key West some 9 miles to the southwest.

The airfield today supports no permanently assigned deployable Fleet operating units. Rather, its mission is to train temporarily assigned flight crews of Fleet tactical aircraft in air combat maneuvering, electronic warfare and instrument proficiency, using the excellent weather, air space and general flying conditions in the vicinity. Two training squadrons and a detachment are assigned to support this training mission.

The aviation units based in Key West have varied over the past ten years. Through 1973 a Fleet Test and Evaluation squadron flying ASW patrol aircraft was homeported, but now operate elsewhere. Also, deployable, carrier reconnaissance squadrons flying A-5 aircraft were homeported until phased out in the late 1970's. Facilities used by these units are intact and now under alternate use. During contingencies, such patrol and tactical aircraft could again operate from the Key West airfield. The JCS organization Commander, U.S. Forces Caribbean, is headquartered at NAS Key West and would function as part of the unified command chain during a Caribbean area contingency.

At the waterfront area, termed Truman Annex, capability is being constructed to allow up to five destroyers or frigates to use it as a forward operating base during normal or contingency operations. This intent was announced by the Secretary of the Navy on 9 June 1982.

Homeported near Truman Annex at Trumbo Point was six patrol hydrofoil ships (PHM). These ships are capable of peacetime or contingency operations in the Caribbean, with capability for anti-surface ship warfare.

ANDROS ISLAND MISSION

Senator **Sasser**. Also, I would like to know, and I suspect this is going to have to be a classified response too, for the record, but I would like to know what mission is assigned to Andros Island, Guantanamo, and Roosevelt Roads in the JCS-approved contingency plans for Central America.

[The information follows:]

MISSIONS ASSIGNED ANDROS ISLAND, GUANTANAMO AND ROOSEVELT ROADS

The Atlantic Undersea Test and Evaluation Center (AUTEC) at Andros I. is a deep water test and evaluation facility for acoustic measurements, calibration, and assessment of Fleet readiness, using natural range features available in the Tongue of the Ocean. There are no Fleet operational facilities existing or planned at that location. Personnel present at the AUTEC installation usually include only 30 military, supplemented by Civil Service and contract civilians. There would be no change in this mission during a Carribbean contingency.

Naval Base Guantanamo Bay with excellent harbor and air field, performs the peacetime mission of training Atlantic Fleet surface force units using the large expanse of open water and excellent weather conditions immediately to the south. A ship repair capability also exists to support the 100 ships visiting annually, with an average of 10 present at any one time.

In a contingency, Base facilities and the excellent natural harbor could support operating forces engaged in protecting Caribbean Sea shipping routes vital to the U.S. economy, countering hostile Cuban Forces, denying use of the Guantanamo Bay harbor by potential enemies, aerial reconnaissance and intelligence collection, communications and other missions.

Naval Station Roosevelt Roads also includes good harbor and aviation support facilities. Peacetime mission is support of air, surface and submarine training on the Atlantic Fleet Weapons Training Facility. Large scale Fleet exercises are conducted annually in the vicinity including practice air strikes and live firings against aerial targets on the extended ocean ranges available.

In a contingency, operating forces could be supported while operating in the eastern Caribbean, using pre-positioned fuel stocks existing at Roosevelt Roads. Protection of sea lines of communications immediately west of Puerto Rico would be a potential contingency mission. Being more distant from Central America than Guantanamo Bay and some bases in the southern U.S., its support role in a contingency there would be limited.

KEY WEST NAVAL AIR STATION

Admiral ZOBEL. Yes, sir. I shouldn't leave out the Naval Air Station down in Key West, too. I didn't mention that because we were talking generally about the berthing improvements, but of course the Naval Air Station in Key West has quite a role in training, particularly in the wintertime when fighter aircraft are down there operating on the mainland.

Senator SASSER. Mr. Chairman, I have some additional questions which I will submit for the record, but in the interest of saving time, I will not ask them.

Senator THURMOND. I have additional questions too, and to save time I will submit those for the record.

Senator MATTINGLY. I have more and in order to save time, we will put those in the record and you can spend the rest of the week filling out your answers.

[Laughter.]

[CLERK'S NOTE: The submitted questions together with the answers appear at the conclusion of the hearing.]

COST OF U.S.-BASED BARRACKS

Senator SASSER. Mr. Chairman, before we recess, could I ask the Admiral one question here? Last year, Admiral, the Army reported an average cost for barracks built inside the United States of $58.19 per square foot. Now the Navy reported an average cost of $62.50 per square foot.

Can you give the committee some reason as to why the Navy's cost is higher than the Army's with regard to barracks built inside the United States?

Admiral **Zobel**. I think I can answer. There are a number of things that would be involved. Obviously construction isn't exactly the same in every part of the United States. For instance, here in the Washington area, we have always looked at this area as being a cost factor of about 1 to 1.04. In other locations around the United States, California being one of them, they are a little bit higher.

So, as we build our facilities in major concentrations of the Navy, which are on the sea coasts, essentially, we find that we do have some higher cost factors just due to region. If you build in California, you also have earthquake considerations. If you build in the Southeastern part of the United States you may, if you are close to the coast, have to ensure that you have satisfactory structural strength for hurricanes. And if you are in the Northeast portion, then you have snowload to consider.

So you have a number of different things that are involved, and I suspect that that relatively small difference is because of that. We do use the same standard room layout, though, that the Army and the Air Force use.

Senator **Sasser**. I was noticing yesterday that the Navy's cost for family housing is about 15 to 20 percent lower than the Army.

Admiral **Zobel**. And I think you will probably find that to be an area situation, too, because we both start from the same base number.

Senator **Sasser**. I see. Thank you.

Senator **Mattingly**. If you build in the Southeast, you won't have any problems.

SUBMITTED QUESTIONS

The submitted questions referred to earlier, will be inserted at this point in the record.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR MATTINGLY

Washington Navy Yard

Question: You have requested $19 million for administrative office space at the Navy Yard. How does it fit into the overall plan which the Navy was considering concerning construction at the Navy Yard?

Answer: The FY 1985 project to convert Washington Navy Yard Building 111 and construct a parking garage is a "stand alone" project which is not part of the 1981 Master Plan to vacate all leased space in the Washington, D.C. area. No leased space would be vacated as a result of this project. The 1981 Master Plan is not current because circumstances have changed. First, the 1981 Master Plan included 26 acres of adjacent General Services Administration (GSA) property and four large buildings, which may not now be available to Navy. Second and more important, Navy now has a regional space deficiency of over 350,000 net square feet, which did not exist in 1981. Until this deficiency is resolved, Navy is in no position to vacate any leased space in the area. The FY 1985 project is the most economical way to solve about one-third of this deficiency. Navy is working with GSA to resolve the remaining two-thirds through a series of coordinated actions, which include occupying some GSA-controlled space which is now vacant, and additional leasing. In this latter regard, Navy recently notified the Armed Services Committees, pursuant to 10 USC 2662, of intentions to lease up to 110,000 additional net square feet of office space in the Crystal City area. Should the FY 1985 project not be approved, Navy would be compelled to seek yet additional new leasing, over and above the 110,000 square feet already being contemplated, at a considerably increased cost to taxpayers.

FY 84 Supplemental for Iceland

Question: The Navy has requested $30 million for their share of a fueling pier located in Keflavik, Iceland. This request came to the Congress late last year in the form of a supplemental request. What is the purpose of this project?

Answer: To attain the capability, where none exists at present, for direct off-load of fuel from ocean-going oil tankers as large as 300,000 barrel capacity. Fuel to be used by Navy and Air Force aircraft and equipment operating from the base at Keflavik, Iceland. Fuel to be stored in new, buried, hardened tanks now under construction and funded on a 50/50 cost share basis by NATO and U.S.

Question: Is it NATO eligible? If not, why not?

Answer: The fueling pier is partially eligible for NATO Infrastructure funding and will be paid for on the same 50/50 NATO/U.S. basis as the tanks. The NATO funds for the fueling pier will be contained in Slice 36, due to be approved in early 1985.

Question: What is the great urgency for the project in that it was included in an individual supplemental request?

Answer: The urgency relates to (1) the need to obtain capability for rapid resupply of aviation fuel to U.S. forces defending Iceland and the Greenland-Iceland-Norway gap, (2) the

Government of Iceland's position that construction begin immediately and (3) that the use of a small fishing pier in Keflavik for offloading volatile jet-fuel terminates at the earliest date possible. Should the Supplemental be approved now, construction can begin in June 1984 and full use be made of the 1984 construction season.

QUESTIONS SUBMITTED BY SENATOR THURMOND

Santa Margarita Dam

Question. You are proposing a major investment in a flood control project at Camp Pendleton, California. Explain this project.

Answer. The project is for both an alternative secure water supply and flood control. Camp Pendleton will reach the safe yield limit on withdrawals from its ground water basins within the next two years. The project will supply the long term secure water source needed to continue unconstrained use of the base. The flood control portion of the project will prevent the cyclical flood damage, which has cost over $40 million within the last 15 years.

Question. Do you need authority from other Committees of Congress (i.e., the Public Works Committees) before you can proceed with this project?

Answer. The total project, as a construction proposal by the Department of the Interior, requires action by both the Senate and House Committees on Interior and Insular Affairs. The Senate Committee completed hearings in May 1983 on S. 805, authorizing the Secretary of the Interior to construct the project. This bill was passed by the full Senate on June 15, 1983. The House of Representatives companion legislation, H.R. 1581, was the subject of field hearings in San Diego on November 4, 1983. Further subcommittee hearings are expected in April 1984.

Question. Are state and local matching funds required? If so, where does that issue stand?

Answer. There are no state or local matching funds as such. However, the Fallbrook Public Utility District is funding the portion of the project costs ($49 million±) attributable to the benefits they will receive.

Question. Provide a funding profile showing planned obligations for this project.

Answer. Based on anticipated construction schedule, the funding requirements are:

Fiscal Year	Amount ($000)
1985	1.3
1986	7.7
1987	29.2
1988	31.9
1989	33.4
1990	24.2
1991	14.3
Navy Portion only	$142.0

Question. Is there a lower cost solution to the flood control problem at Camp Pendleton?

Answer. A project to solely provide protection against 100 year floods would cost approximately $61 million if constructed during Fiscal Year 1985. Although this is significantly cheaper than the proposed project, it would not provide the other project benefits, especially the urgently required alternative water source needed at Camp Pendleton.

Family Housing

Question. The Navy is requesting 405 units of family housing for Adak, Alaska and projects another 100 units to be requested for 86. Would it not be cheaper to buy these units in one year as opposed to a two-year period?

Answer. The economies of scale indicate that it would be cheaper to buy these units in one year as opposed to a two year period. However, housing construction is programmed to meet actual requirements to avoid premature completion in the anticipation of need. This is in keeping with prudent management and congressional funding practices. Since the actual requirement for the additional 100 units will not materialize until FY88 it would be premature to include them with the units requested for FY85.

Question: Adak is listed as having 308 units beyond economical repair. What are the criteria for economical repair of these units?

Answer: The cost to repair the units was estimated at $181,000 a unit whereas new construction was $150,000. The high cost to repair is directly attributable to the high cost of labor on site and the need to do the work on site. The cost of new construction is less due to the prefabrication of the units in the continental U.S., where labor costs are less, and then shipping them to Adak.

Question: There is a request for 360 units of family housing at Camp Pendleton, California. Why was the request not considered for Section 801 or 802 projects?

Answer: The 942 unit housing deficit at Camp Pendleton cannot be satisfied with the 300 units of Section 801 or 802 currently under consideration for Camp Pendleton and the proposed 360 unit construction project. There will still remain a programmable deficit of 282 units.

Question: The Navy is requesting authority for 28 units to be built at Wallops Island, Virginia. Are there not any adequate quarters within the allowable commuting distance?

Answer: Wallops Island is located in an isolated rural area in Accomack County, VA on the eastern shore of the Delmarva Peninsula. The surrounding area primarily consists of potato and chicken farms. The nearest city is Salisbury, Maryland which is over one hour's commute. The few adequate units in the area are owner-built and occupied. The community cannot currently and does not expect in the future to meet the military and the corresponding civilian increase in the population associated with the building of the AEGIS Combat System Center.

Question: The Navy is also requesting 100 units for Guantanamo Bay, Cuba. Why does the Navy want to subject families to those conditions?

Answer: The conditions at Guantanamo Bay improve significantly once the families are able to be with the military member in family housing. Since there is no community on which to rely, families must be separated until family housing is provided. The family housing that exists is adequate; however, it is not sufficient to meet the need. Enlisted personnel are credited with sea duty with an assignment to Guantanamo Bay.

Question: Why not make Guantanamo a short tour of duty such as the Army has for Korea?

Answer: Unaccompanied, short tours of duty impact morale, mission readiness and training effectiveness and are only used by Navy at locations which there is no family housing or support services. As the NS Guantanamo is a self-sufficient activity, with housing, schools, etc., it has been shown to be advantageous to the mission to have families accompany the military members.

Sections 801 and 802

Question: Last year the Congress approved provisions in the Military Construction Authorization Act that allowed the Secretaries of the military departments to enter into built-to-lease and rental guarantee arrangements in the United States. What steps has the Navy taken to implement the provisions of Sections 801 and 802 of the Fiscal Year 84 Authorization Bill?

Answer: The Navy has identified the locations for testing the two new programs. In addition, draft Requests for Proposals for Leasing on Government land; Leasing off government land and a Rental Guarantee agreement off government land have been prepared for Industry review. The Navy anticipates advertising for the first agreement during the summer of 1984.

Question: What costing procedures are being applied to determine actual cost to the government?

Answer: An economic analysis comparing each new program to Military Construction, in accordance with OMB Circular A-104, is being prepared.

Question: Are these criteria consistent with provisions of Office of Management and Budget Circular A-76 that governs the contracting out of base functions?

Answer: The Criteria being used are contained in OMB Circular A-104. OMB Circular A-76 does not apply.

Question: What bases are candidates for these arrangements?

Answer: NWS Earle, NJ, MCB Camp Pendleton, CA, Navy Complex San Diego, CA, and Navy complex Norfolk, VA are candidates for the implementation of Sections 801 and 802.

Question: Are any projects in this year's request at bases that could be deferred for consideration as 801 or 802 projects?

Answer: There are no projects that could be deferred for consideration as 801 or 802 projects.

Naval Submarine Base, New London

Question: Please comment on the projects listed in the attached letters.

Answer: Two projects denied funding last year for the Submarine School remain valid requirements and will be resubmitted. The project to house an Operational Trainer is tentatively planned for the Fiscal Year 1986 Military Construction Program. The Applied Instruction Building for the Basic Submarine School is expected to be included in the Fiscal Year 1987 program.

NSB Kings Bay, Georgia--TRIDENT Command and Control Systems Maintenance Shop

Question: Please comment on the projects listed in the attached letters.

Answer: The temporary facilities occupied by the TRIDENT Command and Control Systems Maintenance Activity (TRICCSMA) are not only crowded and inefficient but will not support the expanding operations of the TRIDENT submarines on the east and west coasts. TRICCSMA plays a key role in the production of the TRIDENT submarines. It is in this facility that the Command and Control System (CCS) components are assembled and tested for the first time. The CCS is subsequently installed on the new submarines being built at General Dynamics in Groton, Connecticut. Currently, TRICCSMA is barely able to accomplish its mission in the temporary, sub-standard facilities being utilized, even with the relatively low submarine construction rate (one per year). TRICCSMA now only works on the initial Command and Control System. As later configurations of CCS are developed, more space is required to accommodate the additional equipment needed to test all types of CCS. In addition, TRICCSMA is responsible for solving operational and maintenance problems with CCS hardware and software for the entire life span of TRIDENT submarines. To accomplish its mission, TRICCSMA is supported by highly suphisticated electronic equipment valued at approximately $250 million. The existing facilities do not offer the space to house this equipment and lack electrical and mechanical systems capable of providing the power and environmental conditions critical for the operation of the equipment. Eight different alternatives were studied to solve this problem and the resulting evidence clearly demonstrated that construction of a new permanent facility provided the lowest life cycle cost as well as the most efficient solution.

Naval Underwater Systems Center, Newport, Rhode Island

Question: Please comment on the projects listed in the attached letters.

Answer: The Navy strongly concurs in the remarks concerning the Naval Underwater Systems Center, Newport, Rhode Island, and the urgent need for FY 1985 authorization and funding for the Submarine Weapon System Integration Laboratory. This project is requested in the FY 1985 bill at a cost of $11,540,000.

Both the Administration and the Congress recognize the importance of nuclear-powered attack submarines and the increase in this force through acquisition of SSN-688 class ships is continuing. This laboratory is in direct support of attack submarine technology, with emphasis on advanced combat systems to occur in ships to be commissioned in the late 1980's.

QUESTIONS SUBMITTED BY SENATOR WARNER

Terrorism

Question: Gentlemen, as you know, recent events have driven home the need to plan and prepare proper security precautions for all possible targets for terrorism. Military sites are certainly seen as highly visible targets, especially overseas. Please tell me what steps you have taken to include enhanced security planning in your construction projects. Also, what impact has that had on project costs?

Answer: Because of recent acts of terrorism, there is an increased awareness for proper security for all of our facilities. A program is now underway to develop and prioritize total Navy security requirements with the objective of developing a supportable and executable program for the implementation of anti-terrorist initiatives. An element of this program is the undertaking of a pilot study at Mare Island Naval Shipyard and associated facilities where we are looking at the type of terrorist attacks to which a shipyard may be vulnerable and of methods of counteracting these attacks.

Because of these and similar efforts we will undoubtably be identifying additional construction projects as well as reviewing currently programmed projects to ensure that security has been properly considered.

The extent of additonal program cost or increases to specific project costs has not been determined.

Reserves

Question: As you know, I am a strong supporter of increased use of the Reserves and National Guard to meet our defense requirements. I have been pleased to see that the Army seems to accept the need for this shift in emphasis that future demographics will make inevitable and the other services are coming around. Given that increasing role, and in light of the fact that you have described a typical Reserve Center as "a 1940's structure of two or three quonset huts" and cited a significant growing backlog, do you feel that this construction program gives proper emphasis to the Reserves and Guard?

Answer: The FY 1985 budget request is the largest ever submitted for the Military Construction, Naval Reserve program. However, we remain concerned over the size and growth of the backlog and are committed to a program to contain this growth and in funding priority projects.

During the past Navy planning and programming cycle, a significant improvement in funding levels over the Five Year Defense Plan was realized. We are attempting to maintain and build on this during the present programming cycle.

Question: I understand that the Navy rents housing in the Norfolk area for seamen whose ships are there for repair or overhaul. I believe something like $2.5 million was spent for an average of about 450 spaces last year. That is about $500 per month for each. Since ship repair and overhaul will be a continuing activity for many years to come, if not indefinitely, would it not be more cost effective to construct quarters for that purpose?

Answer: The civilian shipyards at Newport News, Virginia are located on the west side of Hampton Roads at the mouth of the James River. The Naval Station and Naval Shipyard in Norfolk, VA are located approximately 25 miles away. The Navy contracts with the civilian shipyards at Newport News to overhaul their ships. The Navy rents housing space in the civilian community of Newport News because it is necessary that the Navy crews be near their ships to work side by side with civilian workers during the entire overhaul. The Navy cannot build crew housing at the civilian shipyards and the distance to the nearest Naval installation makes it impractical to construct Navy housing there to house these crews.

Question: What is the status of the power plant project at Norfolk?

Answer: The contract for the steam plant was awarded in September 1983. Design of the plant is proceeding on schedule and the contractor will begin construction in May 1984. The scheduled completion of the plant is July 1987. The total construction cost is estimated to be $144 million.

Naval Station Norfolk, Virginia - VHA

Question: Will capping or limiting increases in VHA have a significant impact on your requirements for family housing?

Answer: Since the inception of VHA in 1980, the total requirement for additional family housing has decreased. Although VHA has increased moderately since 1980 the housing costs have increased at a faster rate. The family housing requirement over the past four years has averaged approximately 4,000 for the Norfolk area. With housing costs still on the rise, a cap or limit on VHA will impose additional hardship on military families in locating adequate and affordable housing. The significance of the impact cannot be determined without specific knowledge of what the VHA rates and housing costs would be.

ADDITIONAL QUESTIONS SUBMITTED BY SENATOR THURMOND

School Construction

Question: For the first time you are proposing to spend construction funds on Section 6 schools at Navy installations. Why?

Answer: The Section 6 schools are programmed by the Secretary of Defense in the same manner as the Department of Defense Dependent School System. To the Navy's knowledge, there are no Navy or Marine Corps Section 6 schools in the FY-85 request. It is expected that the Secretary of Defense (SECDEF) FY-86 request will include several projects for the Navy and Marine Corps.

Section 6 schools are programmed only when the civil school authorities are unable to provide adequate free public schools for the dependents of military personnel.

Question: Would the Navy support transferring its Section 6 schools to the local school districts, if the school construction could be completed and the local school districts would agree to take them over?
Answer: The Navy would not object to transferring Section 6 schools to the civil school system, where agreement for such can be reached.

Question: Who will be the construction agent in the proposed school construction?
Answer: For those Section 6 schools to be requested by the Navy and the Marine Corps, the Naval Facilities Engineering Command will be the construction agent.

Sale and Replacement

Question: I assume you are familiar with Section 806 of last year's Military Construction Authorization Act regarding the sale and replacement of non-excess real property. I note that your request for FY-85 does not propose any transactions under Section 806. Do you support Section 806?
Answer: Yes. The Navy supports the sale and replacement concept.

Question: Do you have some transactions that the Committee might consider adding to the FY-85 bill? Please furnish specific proposals, if possible.
Answer: No. Prospective proposals require considerable study to make sure they are feasible. The Navy is still evaluating proposals. We also believe that the sale and replacement legislation has some technical deficiencies that must be corrected to make it more workable.

Apartment Rental-Norfolk, VA

Question: According to reports furnished to the Committee, you are spending about $2 1/4 million each year to rent apartments in the Norfolk, Virginia area for sailors on ships undergoing overhaul. Do you have plans to build permanent quarters to be able to avoid this high annual rent?
Answer: The civilian shipyards at Newport News, Virginia are located on the west side of Hampton Roads at the mouth of the James River. The Naval Station and Naval Shipyard in Norfolk, VA are located approximately 25 miles away. The Navy contracts with the civilian shipyards at Newport News to overhaul their ships. The Navy rents housing space in the civilian community of Newport News because it is necessary that the Navy crews be near their ships to work side by side with civilian workers during the entire overhaul. The Navy cannot build crew housing at the civilian shipyards and the distance to the nearest Naval installation makes it impractical to construct Navy housing there to house these crews.

Question: You are proposing construction in Japan in support of a new Navy mission. Why can't that mission be undertaken by the Japanese self defense forces?

Answer: Under their constitution, the Japanese are not permitted any offensive weapons. The new mission is offensive and hence not commensurate with the self defense nature of the Japanese armed forces.

The details of the mission are classified and additional information has been provided to the committee staff.

QUESTIONS SUBMITTED BY SENATOR WARNER

Question: I note that your 1985 budget submission includes $19.75 million for construction at the Washington Navy Yard to convert a warehouse into office space and to construct a parking garage. You should know that I have serious reservations about expanding the administrative work force at the Navy Yard, especially if it contributes to the daily traffic jam crossing the Potomac. I also wish to be sure that any shift in administrative office space in the D.C. area is cost effective. $19.75 million seems quite high for the work proposed. Will it be used for any other purpose than the office space and garage?

Answer: In addition to office space, Building 111 will contain some special purpose space, including courtrooms, law libraries, small laboratory areas required for criminal investigations, and instructional space, all of which cost somewhat more than general purpose office space. The occupancy of Building 111, however, will enable shared use of some of this special purpose space, such as courtrooms and law libraries, thus minimizing the total amount of such space required. Moreover, inclusion of special purpose space in a Government-owned building obviates costly modification of leased space for these uses. Leased buildings are typically constructed as general office space. When the office space is modified at Government expense for special purposes, it then commands a higher lease rate.

Also contained in the project are utilities support for Building 111, including provision of an electrical substation and chilled water equipment, and minimal site improvements.

The cost of the office space provided by the project is approximately 21 percent less than comparable new office space construction in the Washington, D.C. area. This savings is directly attributable to avoided construction of an exterior building shell. Additional cost advantages of converting this building at the Washington Navy Yard result from the substantial in-place utilities infrastructure; unused central steam plant capacity; and avoided costs of clearing, grading, and site preparation.

Question: I note that your 1985 budget submission includes $19.75 million for construction at the Washington Navy Yard to convert a warehouse into office space and to construct a parking garage. You should know that I have serious reservations about expanding the administrative work force at the Navy Yard, especially if it contributes to the daily traffic jam crossing the Potomac. I also wish to be sure that any shift in administrative office space in the D.C. area is cost effective. What activities will be moved in when the work is complete?

Answer: Our preliminary planning sought to co-locate the Naval

Investigative Service (NIS) with the Judge Advocate General (JAG) Headquarters and several subordinate legal activities. However, design has determined that Building 111 is not large enough to accommodate all of these requirements. Review of organizational inter-relationships among these preliminary occupants determined that operational efficiency would best be achieved by co-locating NIS and the several subordinate legal activities, to the exclusion of the JAG Headquarters. Consequently, Building 111 will occupied by:

- Naval Investigative Service
- Navy-Marine Corps Court of Military Review
- Navy-Marine Corps Appellate Review Activity
- Navy Legal Services Office, Washington, D.C.; and
- Navy-Marine Corps Trial Judiciary

NIS is currently located in Suitland, Maryland. The above legal activities are already located in the Washington Navy Yard, in facilities which are fragmented and inadequate in size. Thus, the project will involve relocating no organizations from Virginia, and will cause no additional traffic on the Potomac River bridges.

Question: I note that your 1985 budget submission includes $19.75 million for construction at the Washington Navy Yard to convert a warehouse into office space and to construct a parking garage. You should know that I have serious reservations about expanding the administrative work force at the Navy Yard, especially if it contributes to the daily traffic jam crossing the Potomac. I also wish to be sure that any shift in administrative office space in the D.C. area is cost effective. Will the current locations of the activities be backfilled and, if so, with what activities?

Answer: Yes, all vacated space will be backfilled, which provides important secondary benefits to Navy. As was indicated above in response to Senator Mattingly's questions, Navy has a serious space deficiency of 350,000 net square feet in the National Capital Region, making it imperative for Navy not only to retain all of the space we currently occupy, but also to lease additional space in the Crystal City area. This regional space deficiency is manifested in severe overcrowding at several locations, one of which is the Suitland Federal Center. Two Navy commands are currently located at Suitland, the Naval Intelligence Command (NIC) and the Naval Investigative Service (NIS), both of which have growing space requirements. Overcrowding within the NIC spaces is particularly severe, such that analysts are "sharing" desks, and corridors are being used as work spaces. The space deficiency is so severe that mission accomplishment and productivity are being adversely impacted. NIC's space shortfall is approximately 40,000 net square feet, and would be satisfied by backfilling the space which the Naval Investigative Service now occupies. To provide interim relief for NIC until Building 111 is completed, Navy plans to erect a 16,000 square foot relocatable structure at Suitland.

Navy will also backfill space vacated by the legal activities with other Navy organizations at the Navy Yard which are also experiencing growth.

Question: I note that your 1985 budget submission includes $19.75 million for construction at the Washington Navy Yard to convert a warehouse into office space and to construct a parking garage. You should know that I have serious reservations about expanding the administrative work force at the Navy Yard, especially if it contributes to the daily traffic jam crossing the Potomac. I also wish to be sure that any shift in administrative office space in the D.C. area is cost effective. Has a cost/benefit analysis been done? If so, I would like to see it.

Answer: Yes. Two separate economic analyses were done for the project. These two analyses differ only in the theoretical treatment of amortizing the investment for the parking garage. One analysis amortizes the total investment cost of the parking garage, even though the garage is sized to serve the employees of both Building 210, which was authorized in FY 1983, and Building 111. The other excludes, for analytical purposes, that part of the investment cost related to parking for Building 210. In both cases, the results are very favorable, as presented below:

	Garage Fully Amortized by Avoided Lease Costs Related to Bldg. 111	Garage Partially Amortized by Avoided Lease Costs Related to Bldg. 111
Net Present Value (NPV) Savings-to-Investment Ratio	1.33	1.50
Discounted NPV Dollar Payback Period	12.8 years	9.4 years
Thirty-year Federal Budget Savings	$44.12 Million	$46.55 Million

Both analyses are based on an FY 1985 lease rate of approximately $23.00 per square foot for an equivalent amount of new leased space. This rate was derived from a recent new GSA lease in the Crystal City area. The rate may be conservative, since the building upon which it was based is now almost entirely leased, and the only other space likely to be available in the Crystal City area will be in buildings just beginning construction. This space will probably lease at rates as high as $25.00 per square foot in FY 1985. To the extent that these lease rates exceed $23.00 per square foot, the savings would be even greater than indicated above.

QUESTIONS SUBMITTED BY SENATOR WEICKER

Naval Submarine Base, New London

Question: Please provide a brief statement justifying the funding request

Answer: Project P-335, Berthing Pier Improvements, upgrades the north side of Pier 17 to make it suitable for nuclear-powered submarines and provides utilities on north side of Pier 2. The number of new SSN-688, Los Angeles class attack submarines homeported at New London will increase by 8 as of the late 1980's. Additional berthing facilities are required to support these new submarines as well as transient submarines. The north side of Pier 17 cannot be used for submarine berthing because it lacks a fender system and utilities. This project will provide those facilities and complete the pier construction program started in the early 1970's to accommodate new SSN-688 submarines assigned to New London.

Project P-371, constructs a quaywall and utilities adjacent to a pier now accommodating a floating drydock. The quaywall will enable a support barge to render direct assistance to submarine maintenance operations in the drydock. The barge is now berthed at a pier distant from the drydock and contains maintenance shops, material storage and engineering offices. The barge fosters readiness through submarine maintenance done through engineered operating cycles conducted at New London. This project would berth the barge close aboard the drydock and improve productivity. The quaywall is deteriorated and could collapse if this improvement is not performed.

Project P-341, Utilities Improvement and Land Acquisition, provides improved, reliable electrical generation and distribution facilities, street and pier lighting, a new steam distribution system, pure water production and storage for the submarines, fire protection at the piers, a new sanitary sewer system and upgraded storm drains. The existing systems have not kept pace with recent upgrade and construction of base facilities. Power outages occur and emergency back-up systems are inadequate for the demand. The project also acquires land easements at two locations. One easement is to permit construction of a sanitary sewer line through State-owned property along the highway. The other is to permit construction of a storm drain under a railroad right-of-way.

Project P-344, Quaywall, replaces quaywall paralleling the river edge to the north of the submarine piers where deteriorated sections have failed. Earth behind the sheetpiling has fallen into the river damaging the road and threatening utility systems along the waterfront. Conditions along the waterfront are hazardous for vehicles and weight handling equipment. This project will repair the quaywall, prevent further damage to the road and protect the utilities systems.

Project P-309, Security Improvements, provides adequate perimeter security to protect the nuclear-powered submarines and related activities from threats of sabotage, espionage or interference by radical groups. This project constructs perimeter security fencing with adjacent patrol road, a gate house at the main gate and an intrusion surveillance system at the ends of the base where a rail line crosses the boundary.

Question: Please list these projects in their order of priority.

Answer: The five projects at Naval Submarine Base New London all relate to readiness of Fleet operating forces and are rated at highest priority among all Navy FY 1985 projects. All are considered of equal priority, with no significant gradation among them.

Question: For fiscal year 1985, the Navy is requesting $23.0 million for 5 military construction projects at the Naval Submarine Base, New London, Ct. The buildings that house the Enlisted Basic Submarine School are in terrible condition and should have been replaced long ago. Funds were requested last year for this purpose, but these were denied by Congress. The fiscal year 1985 budget contains no such request. When is the Navy planning to resubmit a request for these funds?

Answer: Two projects denied funding last year for the Submarine School remain valid requirements and will be resubmitted. The project to house an Operational Trainer is tentatively planned for the Fiscal Year 1986 Military Construction Program. The Applied

Instruction Building for the Basic Submarine School is expected to be included in the Fiscal Year 1987 program.

Question: Because of a shortage of berthing space at the main base, the Navy usually moors several nuclear-powered attack submarines at the State Pier just south of Route I-95. That facility is leased from the State. Officials at the base have expressed some concern about the lack of security at the State pier. Has the Navy developed a plan for improving security there? If so, what is it?

Answer: The Navy has a plan to improve the facilities and security at the State Pier where Submarine Squadron Ten nuclear powered submarines and a tender are assigned. A Military Construction project approved in Fiscal Year 1983 will provide small craft berthing, bulkhead, utilities, dredging, improved parking, waterfront security, renovation of one building and land acquisition. A smaller project is planned to provide additional security facilities and will be funded with station Operations and Maintenance authority.

Question: Is the Navy planning to lease this area indefinitely? If not, what are the alternatives?

Answer: The lease between the Navy and the State of Connecticut for use of facilities at the State Pier expires in the year 2013. Should the Navy have a requirement for facilities at the State Pier beyond 2013, the State would most likely agree to leasing for a further period of time.

Question: Assuming that the Navy continues to lease the State Pier area, what improvements is it planning to make there over the next five years?

Answer: A future Military Construction project would improve the pier to permit berthing of two submarines. Presently the pier lacks an adequate fender system and utilities. There is also a plan to remove the warehouse now located on the pier and construct a new warehouse on the shore. This will open up the pier deck to make maintence of submarines moored to the pier easier and more productive. This will complete the State Pier improvement program.

QUESTIONS SUBMITTED BY SENATOR NUNN

NSB Kings Bay, Georgia—TRIDENT Submarine and D-5 Missile

Question: How do the Navy construction plans for Kings Bay Submarine Base relate to the production of the TRIDENT submarine and the development of the D-5 missile?

Answer: The Navy programmed the military construction projects at Kings Bay to come on line as they are required due to the production and arrival of TRIDENT submarines, the development and arrival of the D-5 missile, or personnel build-up. Our FY85 request is about $300 million, this will start the construction of major facilities for producing missiles and for refit of the TRIDENT submarines.

Question: I understand that the construction is predicated upon an initial operational capability of the TRIDENT D-5 system at Kings Bay of 1989. Are constructon plans on schedule?
Answer: Yes. We have carefully phased the required facilities through 1988 to allow completion of construction, outfitting and checkout in time to support the initial operating capability in 1989.

Question: How much slippage is there in the construction program to achieve this IOC?
Answer: None. The total program for Kings Bay exceeds $1.6 billion. In order to meet IOC requirements, the bulk of this funding, about $1 billion, must come in FY85 through FY87.

Question: Are the ship construction and missile development programs on schedule?
Answer: With the launching of the fourth TRIDENT submarine, USS Georgia, the ship construction is 6 weeks ahead of schedule. The missile development is on schedule.

NH Rota, Spain—Hospital, $18,400,000

Question: I note that the Navy plans to construct a new hospital in Rota, Spain. What is the tenure of our presence in Rota under the most current base rights agreement?
Answer: The Agreement on Friendship, Defense and Cooperation Between the United States of America and the Kingdom of Spain of July 1982 has a duration of five years. The Agreement provides for extensions of the duration for one-year intervals after the first five years.

Question: Please describe the Navy's construction plans for Cubi Point NAS in the Philippines. In light of the unsettled political situation in that country and the prospect of a renewal of base rights negotiations, is it prudent to be building additional operational facilities on our bases at this time? What facility alternatives are available to support the LAMPS III helicopter program at Cubi Point NAS?
Answer: The Navy's FY 1985 military construction program request includes three projects for $24.3 million, including an aircraft maintenance hangar at $18.8 million. Planned for FY 1986 and FY 1987 are additional maintenance hangars and housing projects for both enlisted and officer personnel.

The base rights agreement between the Philippine government and the U.S. calls for a review of the U.S. presence there in 1989, again in 1991, and annually thereafter. After 1991, either country can terminate the agreement with a one-year notice to vacate.

The Philippine economy benefits significantly from the U.S. presence, which also provides them an umbrella of protection. While the forthcoming base rights reviews might result in protracted and possible difficult negotiations, it is not believed that the U.S. will ultimately be ordered to leave. For these reasons, construction of additional operational facilities is not seen as especially risky.

The Subic Bay complex is geographically of extraordinary importance, especially in light of emerging Indian Ocean requirements. The tempo of operations at the Subic complex has increased greatly over the last few years, yet construction there has not kept up with the increase. As a result, the facility shortfalls have been magnified.

NAS Cubi Point currently has only 18% of the aircraft maintenance space required for the existing aircraft maintenance workload. Cubi Point is the principal Western Pacific support site for the deploying LAMPS Mark III weapon system. To superimpose the LAMPS maintenance workload onto the present facilities will further derogate an already severely constrained program. The only alternatives available are to construct facilities in either Guam or Japan, or to not provide facilities. These alternatives are considered to be greatly inferior to the facilities requested for Cubi Point.

QUESTIONS SUBMITTED BY SENATOR SASSER

Requirements Driving Expansion at Key West, Florida

Question: What new requirements are driving the expansion?

Answer: The only new requirements at Key West relate to the Secretary of the Navy's announcement of 9 June 1982 that the Truman Annex will be reactivated and used as a forward operating base at which up to five frigate/destroyer type ships can be simultaneously accommodated in port.

Barracks

Question: The Navy is requesting $6.7 million to construct unaccompanied personnel housing at the Pacific Missile Test Center. This facility has a unit cost which is twice the Navy's average for these kind of facilities. Why is this project necessary at this time?

Answer: Point Mugu berthing is divided between NAS Point Mugu, which is located on the Pacific coast about seven miles from Oxnard, CA, and the Pacific Missile Test Center (PMTC) located on San Nicholas Island about 50 miles southwest of NAS Point Mugu.

The berthing facilities requested by this project will be constructed on San Nicholas Island to house military officers, civilians employed by Federal government and civilian engineers with private industry who are involved with critical missile testing programs for the Navy.

The Navy performed studies to determine the most economical and functional method for constructing berthing facilities on the island. Pre-fabrication of concrete berthing modules on the mainland was selected for two reasons: (1) Less costly than conventional construction methods (2) limited building area on the island and non-availability of satisfactory construction space for contractor to mobilize his materials and equipment or set up a concrete pre-fabrication plant.

The unit cost for this berthing facility is higher than the Navy's average berthing cost because the concrete pre-fabricated modules must be constructed on the mainland, then placed on barges and transported out to the island to be erected on prepared foundations. Expensive overwater transportation costs are included in the per unit cost.

The project is necessary at this time because there is a critical shortage of adequate berthing space on the island for military officers and professional engineers, who are flown by helicopter from Point Mugu on Monday's and must remain on the island through Friday's. The types of missiles tested and length of test preparation times makes it impractical and often impossible for personnel to return to Point Mugu each day.

Providing adequate housing for these professional engineers at this remote but highly important missile test site is considered to be in the best interests of the Navy, and to support national readiness objectives.

Planning and Design

Question: What is requested for planning and design in fiscal year 1985? What percentage and amount of this will be for outside the U.S.?

Answer: Navy is requesting $157,900,000 for design in fiscal year 1985. Of this amount, we will use about $14,800,000 or 9.4% for design of projects to be constructed outside the United States.

Minor Construction

Question: What is requested for minor construction in fiscal year 1985? What amount and percent is for projects outside the U.S.?

Answer:

	Amount ($000)
Specified Minor Construction Inside U.S.	25,955
Specified Minor Construction Outside U.S.	8,385
Unspecified Minor Construction	19,000
Total	53,340

Specified projects outside the U.S. represent 15.7% of the total.

Military Construction at Andros, Guantanamo, Roosevelt Roads

Question: What military construction will be necessary at these four facilities to meet Central American contingency requirements?

Navy is planning no military construction at these locations specifically to meet Central American contingencies. Whereas Naval Base Guantanamo Bay and Naval Station Roosevelt Roads are installations capable of supporting operating forces, their peacetime missions, against which new construction needs and priorities are weighed, are to train Fleet forces for deployments and to improve readiness.

The Atlantic Undersea Test and Evaluation Center (AUTEC) at Andros I. is a deep water test and evaluation facility for acoustic measurements, calibration, and assessment of Fleet readiness, using natural range features available in the Tongue of the Ocean. There are no Fleet operational facilities existing or planned at that location. Personnel present at the AUTEC installation usually include only 30 military, supplemented by Civil Service and contract civilians.

For information, significant proposed Navy military construction for existing missions at these locations planned for funding in the near future include:

PROJECT	DESCRIPTION	COST	PURPOSE
AUTEC	Andros I., Bahamas		
P-050	Ocean Hauldown Facility	$ 1,000,000	Underwater weapons development.
P-197	Civilian Quarters	$ 3,500,000	House technicians.
Naval Base Guantanamo Bay, Cuba			
P-352	Communications Facs	$ 2,800,000	Replace obsolete facs.
P-408	Barracks	$10,270,000	New and modern
P-409	Bachelor Officers Qtrs	$ 9,800,000	living quarters.
Naval Station Roosevelt Roads, Puerto Rico			
P-422	Underwater Demo Fac	$ 650,000	New team assigned
P-734	Barracks/BOQ	$15,000,000	Modern living quarters for deployed construction Batt.
Naval Base Key West, FL			
P-618	Utilities to Mole	$ 920,000	Support forward deployed frigates
P-599	Patrol Hydrofoil Ramp	$ 750,000	Support homeported hydrofoil ships.
P-578	Waste Facility	$ 290,000	Pollution abatement
P-602	Caribbean Joint Intelligence Center	$ 970,000	Alter existing bldg for US Forces Caribbean intelligence processing equipment and personnel.

For Roosevelt Roads under sponsorship of Defense Logistics Agency, a fuel storage project at $10,675,000 was included in the FY 1985 military construction program for purpose of assuring an adequate fuel supply to Fleet units operating in the Caribbean.

SUBCOMMITTEE RECESS

Senator **Mattingly**. We are going to recess until 10 tomorrow and we will have the Air Force and we will be meeting in Russell 222.

Senator **Thurmond**. Before we adjourn, I would like to include for the record a statement submitted by David Shapiro, general manager, Owl Resources Co.

PREPARED STATEMENT BY DAVID I. SHAPIRO, GENERAL MANAGER, OWL RESOURCES CO., McLEAN, VA

Mr. Chairman and Members of the Committee, Owl Resources Company is submitting this Third Party Contracting statement and its attachment for the record to assist you in continuing your affirmative actions. The attachment contains our testimony originally scheduled for presentation during this Committee's FY 84 MILCON budget hearings. Unfortunately, the outside witness portion of those hearings was cancelled and through an oversight the testimony was not included in the record. Much of the material in that original testimony is still valid and should be considered with this new statement which updates the original testimony. Study of both of these statements will provide the basis for an evaluation of the performance of the military departments during the past year.

This Committee is to be complimented for its action during the last session in restricting new power plant requests for Military Construction Funds to only those projects that have been solicited for Third Party participation. That action has finally motivated the military departments to commence structuring policies and procedures to realize these potential cost savings. This new Congressional initiative could contribute hundreds of millions of dollars in reducing the government budget deficit while creating a new U.S. based industry.

Since we prepared our testimony for the 1984 hearings the military departments have released two additional opportunities and taken action on our unsolicited proposal to the U. S. Army. The U. S. Navy has an Invitation for Bid (IFB) for a landfill gas recovery project at the Naval Air Station Miramar. As General Wright testified, the other is in the solicitation process for a steam plant at Chanute Air Force Base. The Chanute Request for Proposal (RFP) was a direct result of the action of this Committee during the last session. We are extremely pleased with the enthusiasm and open mindedness of General Wright concerning this innovative contracting challenge.

The action of this committee last session brought the Owl Resources Company unsolicited proposal for a Third Party alternative energy project at the Sierra Army Depot (SIAD) to the attention of the proper Army authorities. As a result of their evaluation the U. S. Army finally determined that our proposal did not qualify for an award according to DAR 4-910. They are now considering the SIAD energy requirement for inclusion in their forthcoming pilot project competitive procurements.

It is our understanding that our unsolicited proposal was rejected because the product, "electricity," was not unique. If the potential of Third Party contracting to reduce the DOD capital requirements is to be realized the initiative of the private sector in identifying economically feasible locations and systems must be utilized. Inflexibility in the FAR should be revised to encourage the unsolicited proposal competition if a need is present and a competitive RFP cannot be issued, evaluated and executed within a six month period from notification of the contractor's intent to submit such a proposal. We discussed this need in the prior year's testimony attached hereto.

The United States Army is proceeding slowly but in a positive manner. They have centralized all of their Third Party activities at the Corps of Engineers Huntsville Division. We understand that they plan on having a support contractor to assist them in prioritizing their requirements and structuring their Request for Proposals for pilot projects under contract by June of this year. Our original forecast (as presented in our testimony prepared for last year) of the U. S. Army having their first RFP release early in 1984 must now slip to the fourth quarter of 1984. The Army objective of 3 to 4 Third Party pilot projects on contract by the end of this year will also probably slip. These slips could be compounded by tight funding for the preparation of "responsive" RFP's, etc. DOD allocation of adequate internal funding to assure prompt and effective preparation of RFP's and proper evaluation of the responses leading to early contract execution would be one of the most cost effective applications of tax resources possible.

The DOD allocation of internal funding to Third Party activities is especially appropriate in view of the FY 85 MILCON request of $10.4 billion. As pointed out by Secretary Korb's testimony this is a 42% increase over the FY 84 appropriation and as pointed out by the Chairman this request will be trimmed significantly. We agree with Secretary Korb's statements that this request is truly "required vs. desired". We also want to reinforce other comments contained in his detailed statement to this Committee. These comments referred to "alternative contracting methods", "model installations that try new methods and risk failures", "use of alternative energy" and "attract more bidders". We agree whole heartedly with his message. To the private sector "actions speak louder than words", and unfortunately the DOD record of Third Party contracting has not been "action oriented".

While current activities are encouraging, the Third Party projects presently contracted by in the United States Navy do not seem to be any closer to generating energy and the resultant DOD budget savings than they were last year. We are disappointed that the public portion of the Army and Navy FY 85 joint hearings did not address Third Party issues except for the Chairman's question to Admiral Zobel on Third Party Family Care Centers. Previous testimony and the public record of Admiral Zobel and other members of the USN have identified that the Naval Weapons Center, China Lake (NWC) geothermal project will be on line by the end of this year. This same record states that the Naval Air Weapons Training Center, Fallon Nevada (NAWTC) geothermal project is proceeding according to plan. Other USN testimony during the FY 85 budget hearings in the House of Representatives claimed that the NAWTC project had greater geothermal potential than NWC.

Information obtained by Owl Resources Company (ORC) shows no physical evidence that the NWC project will be on line this year. ORC information indicates that no collection systems have been developed for the initial wells and no foundations for mounting other plant facilities have been constructed. As you are aware, the United States Navy contract to General Ener-Tech for the NAWTC project was awarded on 29 April 1983 over our protests. It now appears that the concerns set forth in both Senator Tower's letters to Secretary Lehman and the Comptroller General, and those same concerns upon which our protests were based are proving all too prophetic. The California Corporation Commission has issued a Stop Trading Order on General Ener-Tech stock because of financial irregularities. Additionally, we understand General Ener-Tech is being sued for $4.5 million by an investor for stock manipulation.

The General Ener-Tech contract term has been in effect for one year, however, our research has found no indication of any exploratory or environmental activity or studies which should have taken place four months into the contract. Further, we understand that the initial environmental and archeological permitting required prior to any geophysical and geological testing have not been filed. Since this is the usual and environmentally prudent first step prior to requesting drilling permits for exploration at specific sites we would conclude that no drilling or geophysical testing is planned in the near future. Based on this total absence of any additional geological and geophysical data we cannot understand how the U. S. Navy can claim that NAWTC has a greater geothermal potential than NWC (a proven resource). We are closely monitoring the NAWTC project and will be alert to any U. S. Navy or General Ener-Tech actions to renegotiate that contract which would confirm our suspicions of a "buy in".

Unfortunately, the U. S. Navy philosphy of trying to "force fit" the private sector to the Navy mold still continues and is still unsuccessful in obtaining qualified bidders. In order to avoid the logical but more laborious RFTP bid process they have "invented" a modified IFB format. In stark contrast to the other services they have stonewalled all attempts by industry to cooperatively develop an effective system that would result in a successful third party contracting program.

I attended both the Miramar and Chanute prebid conferences and if I had not been intimately involved in the evolution of this new market area over the past three years, would have been left confused and "turned off" as were many other representatives of companies who attended. It would appear that the U. S. Navy refuses to learn from past mistakes. They have failed to recognize that they are not dealing with a mature and knowledgable industry such as major defense contractors or utility companies. The companies that have shown interest in the market are both new to the defense contracting game and basically entreprenurial. Proper consideration of the special needs of such companies is essential. Currently the Navy appear to want a good "paper price," not necessarily the real product. Perhaps the officers in charge believe they will be transferred or retired prior to the Navy, the contractor, or ultimately the U. S. government having to pay the piper for a bad deal.

This attitude was demonstrated by the USN performance on the Miramar IFB competition. After 4 to 5 years of the Western Division of NAVFAC (WESDIV) preparation of an RFTP, the USN implementing division, WESDIV, became embroiled with NAVFAC Headquarters over whether an RFTP or IFB type of procurement that would be used. This altercation consumed one year with NAVFAC Headquarters prevailing. WESDIV released 140 plus copies of the IFB on 16 December 1983. The "potential bidders" conference on 11 January 1984 was attended by approximately 85 people representing some 50 companies. On 23 February 1984 the USN issued their formal answers to the 29 questions submitted prior to the pre bid conference and answers to most of the 25 questions asked at the conference. It is interesting to note that there was no response to a question which we formally asked prior to the conference and restated during the conference, concerning the USN criteria for certifying "responsibility of a contractor". The formal USN communication of their answers contained the following caveat, "nothing stated during the conference or contained in enclosures (1) and (2) (i.e. the questions and answers) will be interpreted by the USN or you (i.e. the potential bidders) to modify the written terms or conditions set forth in the IFB" - "unless a formal amendment to the IFB is issued incorporating these clarifications," etc. To date two amendments have been issued. The first moves the bid opening date from 13 February 1984 to 17 April 1984 and the second moves bid opening to 19 June 1984. The technical amendment has not been issued and a potential bidder cannot reach a decision until it is received. Based on the questions and answers that are documented, that amendment should significantly alter the terms and conditions of the IFB and the bids received.

As to the reaction of the services and their efforts to implement Congressional intent and law, the United States Air Force issued a comprehensive Request for Proposal for Chanute which we feel is too detailed and restrictive as to the plant specifications. As stated in our attached and previous FY 83 testimony for the House Appropriations Committee the companies that you are attempting to motivate to bid do not have the intimate knowledge of all the various types of government procurements, i.e. RFP, RFTP, IFB, etc. They perceive the Chanute RFP as a typical government document "by weight" and are intimidated by excessive detail. Many do not understand the subtle differences of "desirements vs. requirements" in government procurements.

The life-cycle (30 year) cost analysis requirement of the RFP include a detailed treatment of investment tax credits that would be used and a forecast of corporate income taxes starting in 1987. Inclusion of a contractor's anticipated tax treatment in the bid analysis appears inappropriate. Each tax payor is unique in the manner certain provisions of the tax code affects profitablity. If the DOD is going to consider tax benefits in their evaluation, then a contractor could properly expect an increased price if the tax code were changed unfavorably. Perhaps there is similarity in the sale of Federal oil and gas leases where only the bid price is considered, not the tax position of the bidder.

In summary, we believe that the first several projects must be "real world"; the military departments must realize that there is administrative and technical risk associated with this new form of contracting. We are not advocating CPFF type contracts. As long as there is a cost savings in both Military Construction and Operations and Maintenance funds for these projects the procuring activities should not concern themselves with "windfall profits" or tax treatments. After several of these plants are on line, and a history that surfaces and solves the present unknown issues, the military departments can then realize greater economies resulting from a larger competitive field.

Until that time the military departments would do well to focus on creating this competitive field. The first requisite for creating and maintaining true competition is an identifiable market that is large enough for several contractors to obtain a meaningful market share and has the potential for profit. When industry looks for new market areas in which to invest they evaluate several factors such as size, profitablility, and the oppurtunity to win - notice we said win, not just compete. As for profitability, these projects must have sufficient financial operating margins to prove wrong the Third Party "nay sayers" in the military services. One of their arguments is that the services cannot depend on the winning contractor to properly maintain his plant and supply energy over the full term of the contract. They are afraid that after the plant is fully depreciated the contractor will "cut and run". This will not happen if he is able to continue to make a profit. If the services get greedy and want more savings than required under the present law then the "nay sayers" will have won - and we can go back to higher MILCON and O & M budget requests for DOD. The military services testimony during these hearings attest to the market size. All services have more facilities over 25 years old than new facilities. If Third Party contracting can be made to work with power plants, we see no reason why it cannot be made to work with Family Child Care Centers and many other service type operations normally found in the civilian private sector. We are encouraged by the Chairman's instructions to General Wright to structure a Third Party Child Care Center pilot project and the General's enthuthiastic response.

Thank you for the opportunity to present this material. We look forward to your final action after you have studied this and our previous more detailed testimony (attached).

John L. Wilson Testimony

Prepared for

Senate Armed Service Military Construction Subcommittee

98th Congress

April, 1983

Attachment to

Statement by David I. Shapiro, General Manager
Owl Resouces Company
McLean, Virginia
for Joint Hearings of
Subcommittees on Military Construction
Committees on Appropriations and Armed Services
United States Senate

Second Session 98th Congress
FY 85 Military Construction Program
4 April 1984

Mr. Chairman, Members of the Committee, we are pleased to have the opportunity to appear before you. I am John Wilson, President of Owl Petroleum Company and Owl Resources Company. Accompanying me is Mr. David Shapiro, General Manager of Owl Resources Company. On April 1, 1982 we testified before the Subcommittee on Military Construction Appropriations of the Committee on Appropriations, House of Representatives, 97th Congress, second session, on the subject of third party development of alternative energy systems for DOD bases. At that time we expressed our enthusiasm for the opportunity created by the enabling legislation which would allow the DOD and the private sector to enter into long term contracts to provide utility type services to the Department of Defense, utilizing Federal land and resources. As these projects would utilize private capital, they would free tax monies for strategic purposes and other needs which can only be serviced by government.

We were optimistic that prompt execution of the program could be expected since the country was in a deepening recession and individual projects could be created to foster investment ranging from $15 million to $700 million over a period of 2 to 10 years. Since most of these expenditures would be for services, materials and machinery it could be the source of many construction and manufacturing jobs over a number of years.

Owl Resources Company was created solely to compete and participate in the market area of providing electricity and other energy requirements derived from alternative fuels to military bases where ever the necessary resources and needs were available. Our research and prior testimony by Admiral Zobel showed conclusively that there were no lack of opportunities within the military establishment for implementation of the legislation so wisely executed by the Congress on the recommendation of this committee. When questioned by Subcommittee Chairman Ginn we advised that 5 to 10 opportunitites per year should be made available through the two step RFTP procurement process in order to assure development of a specific industry to compete in this market.

Almost a year and a half later our enthusiasm for the concept is undiminished, our optimism is being converted to disallusionment, our wisdom has grown inversely as our assets shrank, and the full time employees who have worked so hard to make it happen may soon join the ranks of the unemployed.

While both the market and the need are present, the private capital will be made available if, and only if, the Department of Defense acts in a appropriate manner. The service procurement personnel must recognize that the projects will be competing with all other investment opportunities available to private capital sources. Further, since they will be dealing with companies outside the traditional defense contracting community the widespread perception that "you can't do business with the government" must be overcome.

Performance to date indicates these objectives have not been achieved. If our experience is typical there is a long way to go. Four opportunities have been offered to the private sector. The USN initial third party project at the USNS Adak received no proposals. The USAF made two offerings, received one bid on one project, but could not finalize a contract. They are presently reevaluating a simple solar hot water project at the USAF Academy and appear to be having similar negotiating problems. The U. S. Navy issued an RFTP for geothermal resource development at China Lake, California early in 1979, and a contract was executed in December, 1979. This contract was negotiated with California Energy Company who was the sole bidder. Geologically, China Lake has been extremely successful with several productive geothermal wells having been drilled and tested. Problems having nothing to do with the technical viability of the concept have delayed the procurement and installation of the electrical generating plant. Owl Resources Company was formed and became an active participant in the fourth and last opportunity offered which was a geothermal project at Naval Air Weapons Test Center, Fallon, Nevada. Geothermal potential had been identified by preliminary geophysical and geological work under the direction of the United States Navy. Following is a chronology of the project and our experiences.

The original RFTP was issued January 16, 1982 with the technical proposals to be prepared and submitted April 21, 1982. Due to the problems that arose at China Lake and the possibility that the confidentiality of the NAWTC RFTP had been compromised prior to issuance on January 16, 1982, the bid date was extended to July 21, 1982. Our company and team members expended several hundreds of thousands of dollars preparing a complete and detailed technical proposal designed to meet the standards expressed both in the Request for Technical Proposal and the various conferences and presentations made by Navy personnel instructing potential bidders on what was expected.

On July 12, 1982, nine days before the bid was due and while our proposal was in the printers, the Navy cancelled the procurement and reissued it as an IFB with a bid date of October 21, 1982. Ostensibly, the purpose of the delay was to obtain more bidders. We were assured on numerous occasions, that notwithstanding the change from the RFTP procedure to an IFB, a similar standard of technical competence as had been set out in the RFTP would be applied to selection of any bidder under the IFB. At the opening of the bids on October 21, 1982 there were only two bidders. General EnerTech was low bidder at 3.94 cents/Kwh and ORC at 5.4545 cents/Kwh. Our studies indicated their bid was too low to be economical and we followed the award procedures closely.

On the basis of the materials we collected, which are available to this committee. we filed protests first with the Navy and then with the GAO, claiming that the General EnerTech bid was non-responsive.

Our protest was not based on a "poor loser" attitude, but rather that in view of the wide industry experience of our team and the extensive analysis we conducted in preparing our technical response to the RFTP and our bid in reply to the IFB it could reasonably be concluded that the low General EnerTech bid price was grossly unrealistic. During the Fallon prebid conferences and discussions we were impressed with the expressed concern of the Navy to "preserve the mission of the base. We took this to mean that before a contractor would be found responsive they would have to demonstrate in writing an understanding of the "mission of the base". Nowhere in the General EnerTech material did we find such an understanding. Based on the pricing analysis we will present and our belief that the project is uneconomic at the General EnerTech bid level, hence unfinancable, it would appear that the "mission of the base" at Fallon is to be preserved by inactivity for at least five years, since that is the period before there is any "performance" deadline. In the meantime the base will remain unmolested by drilling rigs - the Department of Defense will pay 15 percent more than it should for electricity (an extra $218,486 per year for just the 3 Mw load at current Sierra Pacific Power Company/NAWTC Fallon prices plus probably at least $2.5 million per year extra on the 22 Mw that the government would utilize at other installations on the grid which are now paying higher rates than Fallon).

In the course of our investigation, and preparation of the protests, we obtained extensive material from Navy files under the Freedom of Information Act. This material further strengthened our belief that the General EnerTech bid was unrealistically low. Of particular significance were those papers which reflected the deliberations within the

Navy regarding the bid process, their concept of the purpose of the program and their comprehension of proper economic return to the private sector. We were advised that the Navy had developed an official cost estimate which showed that a price in 1982 dollars of 3.65 cents/Kwh should be anticipated. We were not provided detail of the official Navy cost estimate, however, notes contained in the material received under the Freedom of Information Act developed an almost identical price of 3.58 cents/Kwh. Since they are so close we could only assume that the notes were reasonably representative of Navy thinking on product pricing for the project. We found the Navy investment estimates were reasonably accurate and their O & M conservative but within reason. Briefly, the following was provided for the case of a 25 megawatt plant.

Drill 3 wells at $1,000,000 per well (presumably these are exploratory wells)	$3,000,000
Profit on wells at 200%	$6,000,000
Drill additional 22 wells at $1,000,000 per well (development wells)	$22,000,000
Profits on those 22 wells at 50%	$11,000,000
Build a 25 megawatt plant	$25,000,000
Profit on 25 megawatt plant at 20%	$5,000,000
Total revenue to be allocated to recovery of capital investment and profit	$72,000,000

Total electricity sales over 25 years were estimated at 5,475,000,000 Kwh. Dividing the $72,000,000 by the 5.475 billion Kwh yielded 1.30 cents/Kw. To this value they added 2.28 cents/Kwh for operations and maintenance yielding the total price of 3.58 cents/Kwh.

Gentlemen, these project economics which allow for recovery of a $50,000,000 investment plus $22,000,000 in profit over a 25 year production contract would require 17 years for payback, while giving a pretax rate of return of between 3 and 3-1/2%. This analysis was prepared at a time when the most conservative private investor could fund FHA guaranteed home mortgages at interest rates in excess of 15%, invest in tax exempt municipal bonds at in excess of 8% (which is a pretax yield of close to 16% for high income investors), and when the prime rate was approximately 16-1/2%. By comparison and using the Navy investment and operations cost values, our bid would yield payback in slightly over 7 years and a pretax rate of return of about 14.5 percent.

I find it difficult to believe that any reasonable and knowledgable person could expect individual or corporate investors to accept the risk of mineral exploration and once having found the resource be prepared to develop such a resource and produce electricity at such a low level of profitability. Assuming that the initial 3 million dollars spent for exploratory wells should be considered risk money that would be lost entirely in the event a commercial geothermal resource was not located, the Navy analysis provided a profit to risk ratio of approximately 7:1. By comparison a general rule of thumb often used in the oil and gas industry is that the profit to risk ratio for rank wildcat ventures should exceed 100:1. Where the risks are reduced through nearby well control and a thorough knowledge of the geological conditions the profit to risk ratio may be brought down into the range of 50:1. Utilizing the Navy cost estimates our bid in 1982 dollars yielded a profit to risk ratio of approximately 42. Those who ignore proper risk analysis in mineral exploration and development are soon bankrupt and of little use to anyone.

The four opportunities discussed above represent the only pure private sector offerings which have been made since the legislation was passed. To the best of our knowledge all other third party projects have involved RDF (solid waste) involving municipalities (including Public Utilities) and other levels of government so are not private sector projects.

Since we still believed that a viable opportunity existed and since we had an ongoing overhead load to maintain the company while waiting for the various decisions on the Fallon project, we proceeded to investigate other possibilities within the Armed Services with the idea of submitting unsolicited proposals where such opportunities might be found.

We are in receipt of a letter from the Air Force advising us they have no intention of issuing any RFP's in the foreseeable future even though a list of nine potential opportunities was included in that letter. They further advised us that in the event we submitted an unsolicited proposal it would only result in the issuance of an RFP. Since the RFP process usually requires 12 to 24 months from the commencement of our studies through contract award, their position is discouraging.

After several visits and discussions with Department of the Army, DARCOM, DESCOM, Sierra Army Depot and U. S. Department of Agriculature Forest Service Management executives we decided that an unsolicited proposal for a Third Party "Showcase" Project at the Sierra Army Depot had a reasonable chance of being accepted. The project we proposed in November, 1982 featured the significant basic benefits of providing lower cost and more reliable energy to the Army and assistance to the USDA Forest Services Forest Management Program of equal or greater importance through disposal of the timber slash created by logging operations. In addition the project was designed to generate a detailed body of knowledge for government use in future third party projects. The power production systems proposed utilized advanced state of the art U. S. manufactured combined cycle generating systems. The biomass externally combusted gas turbine topping and steam turbine bottoming cycle systems proposed has the potential of lower cost energy production because of higher efficiency than standard steam systems.

A successful operating project would have assured that future solicitations of the government would have encouraged a growing field of qualified competitors that have failed to materialize in the past. The reason for this is that the government would have been able to translate the body of knowledge from the Sierra procurement into effective and responsible RFTP's, bidding procedures and contract preparation.

After over seven months of technical and financial evaluations by various Army commands up to the Assistant Secretary of the Army for Installations and Financial Management and the Assistant Secretary of the Army for Research, Development and Acquisition, the U. S. Army did not accept our proposal based on DAR 4-910 for fear of being criticized for making a "non-competitive" award. During the evaluations, at the Assistant Secretary of the Army level, we pointed out that our proposed system was unique in that it would have been a "first of a kind U.S. manufactured advanced technology system" for which we assumed all the risks for development and operation. We also pointed out that this system offered participating U.S. companies the opportunity to create new jobs in an industry that foreign competition now dominates. The Army position was that the final products, steam and electricity, were not unique and therefore the award must be competitive. They did concede the possibility that the current steam systems were not as efficient as the one we proposed and that these steam systems were for the most part supplied by overseas sources. Nevertheless they wanted to compete our proposed system against standard steam systems and other forms of alternative energy.

The net result of all the above is the expenditure of several hundreds of thousands of dollars on our part to prepare proposals on the invitation of the DOD which in each case was largely wasted because (a) the Navy changed the rules and refused to honor its commitments and (b) the Army did not take the time to analyze the procurement regulations until confronted with a decision. We have done our homework which has now been compromised by having copies of our proposal spread throughout the various levels of the Army bureaucracy. Meanwhile the DOD pays full commercial rates for its power supply and American workers are unemployed.

We now understand that the Army is in the process of forming a "Center of Excellence" for Third Party Projects. Unfortunately, this center will not have its initial RFP released until early 1984. Assuming an expedited procurement - which none of the services yet have demonstrated - this contract would not be awarded until August, 1984. Therefore, whatever (doubtful) financial benefit the government could have realized from this competitive procurement vs. the acceptance of our proposal in a timely manner will be wiped out in the extra costs over the 8 to 30 months the Sierra Army Depot must purchase energy from their existing source. This issue is further clouded from our standpoint because it is unknown if the initial RFP the Army Center of Excellence will release will be for the Sierra Army Depot.

In all fairness to the various military and civilian personnel that we have met in all three services we can say that with only a few notable exceptions that we were not unfairly treated or summarily dismissed. It is our observation that the purposes of the legislation are being frustrated by the bureaucratic process. In several instances it is obvious that concern with "windfall profits" or excessive concern with criticism were overriding considerations compared to the objective of the program. Realization of windfall profits would appear to be extremely doubtful since the legislation requires that in all cases the electricity be delivered to the Department of Defense or to other branches of the federal government at a discount compared to contemporary prices of commercial power. Since commercial power is regulated by various P.U.C.'s protection is built in. In attempting to work the unsolicited proposal route we found the Army staff cooperative at all levels, however, it became apparent that the Defense Acquisition Regulations were really not designed to accomodate these types of projects.

Following are our recommendations on the course of action which should be strongly considered by this committee and the Congress if this program is to bear any any part of the abundent benefits it promises.

1. The Congress should clearly and forcefully direct the Department of Defense to proceed to implement the legislation as originally contemplated and require that all energy projects be reviewed for third party applicability prior to submission of the DOD 1391 programming documentation. Those qualifying projects should then be solicted for either RFTP or a Program Opportunity Notice similar to what the DOE did for its Research Development and Demonstration projects or the NASA Innovation Research Program solicitations.

2. The submission of unsolicited proposals should be encouraged until the government can issue a sufficient number of "responsible" RFTP's and the necessary amendments to the DAR's be legislated so that the interests of the public are served through implementation of these programs which bear no financial risk to the government and have the opportunity to provide substantial savings in both MILCON and O & M funds.

3. Other departments of Government should be mandated or at least strongly encouraged to actively assist in the implementation of the program.

4. A significant effort should be made to educate the procurement personnel with the real facts of economic analysis.

5. It should be required that a sound, complete technical proposal be presented before a contractor can be considered as a bidder.

Other details of suggested legislation are presented in our full testimony we are presenting here. We thank you for the opportunity to present this material. Mr. Shapiro and I stand ready to answer any questions the Committee may have.

Following is to be submitted for the record:

As the Chairman and other members of Congress is aware we participated in the much delayed competition for the development of the geothermal power plant at the Naval Air Weapons Center, Fallon, Nevada. This competition was exceedingly costly to us because of the delays, cancellations, and restructuring of the procurement at the nth hour. In addition, the expenses involved extensive legal fees during our subsequent protest actions.

I must now make a very important point to the committee that Owl Resources and Owl Petroleum Company is a small business with 100% participation in the private sector which does not have the benefit of any cost reimbursable contracts with the United States Government that allow the "pass through" of general and administrative and overhead expenses, afforded the usual defense contractors that appear before this committee. In other words, the dollars spent in competing for these Military Venture Capital Energy Procurements (as the United States Navy now refers to Third Party Contracts), is REAL risk money and not reimbursable from the government coffers. As a point in fact, Owl Resources expenditures during the Fallon competition, which included over ten months of technical and cost proposal preparation followed by over five months of legal expenses, exceeded $650,000.

During the five months we were conducting the protest actions we requested and received under the Freedon of Information Act copies of the pertinent files of the United States Navy, regarding the Fallon procurement. After our review of the material contained in those files, it became apparent to us that the United States Navy and possibly the rest of the military services defense establishment do not have the necessary private sector background, knowledge nor appreciation of the factors and details that go into risk contracting of this nature. In the USN Fallon cost estimates no consideration was given to opportunity cost, present worth, cost of financing or discounted cash flow. Additionally, examination of the material revealed that the Navy was unduly concerned with the potential of the contractor receiving windfall profits. We would like to explain that windfall profits on these types of projects are practically impossible because the contractor first must sell the energy to the government at a cost less than the government would pay from a public utility and secondly, if the contractor is fortunate enough to come in under his projected costs with due consideration for risk, "excess profits" would revert back to the U. S. Treasury in the form of corporate taxes.

These and other misconceptions of risk contracting were revealed during our examination of material gained under the Freedom of Information Act, followed by the exchange of the legal documentation and the discussions that took place during the GAO conference concerned with the protest. Our discussions with Army and Air Force and DOD personnel involved in attempts to implement Third Party Risk Contracting for alternative energy also contained some misconceptions, to a lessor degree, but still misconceptions. All these inputs lead us to suggest that the followng considerations should be addressed:

- The government must understand that continuity of procurement methodology is extremely important to the private sector as we compete for these opportunities.
- The government must understand that there are risks associated with these projects. Once they have struck a mutually and satisfactory agreement with a contractor prior to the project becoming operational they should be appreciative of

the fact that there were risks on both sides. As Dr. Norman Augustine (ex Asst. Secretary DOD Research and Development) wrote in his book, Augustine's Laws, where he quoted the works of John Ruskin of a century ago, "It's unwise to pay too much, but it is worse to pay too little. When you pay too much you lose a little money - that is all. When you pay too little you sometimes lose everything, because the thing you bought was incapable of doing the thing it was bought to do. The common law of business balance prohibits paying a little and getting a lot - it can't be done. If you deal with the lowest bidder it is well to add something for the risk you run, and if you do that you will have enough to pay for something better." I know that some will say that electricity is electricity, and as long as it meets the standard electrical quality requirements, the government should buy it from the lowest bidder. That is true to the extent that you are dealing with very mature technologies. Hopefully, after enough Third Party alternative energy projects are on line, the technology will become mature so that the electrical output costs can be projected with little risk. However, that is not the case at the present time. There are still a great deal of risk in the alternative energy technologies as well as the administrative/economic details being worked out by the successful contractor concerning the utilities and government interfaces, as far as reports, wheeling, markets, etc.

o Another point that is very critical to potential contractors is the timelyness of the government acting during the procurement process. Risk contracting of this nature demands that prior to submitting proposals, financial arrangements for securing the venture capital funds, through limited partnerships or lending institutions must be agreed to in principle. It is impossible for the potential risk contractor to finalize these arrangements until such time as he has been awarded the contract. We normally obtain an agreement in principle from our financing sources prior to our submission of the proposal. However, an agreement in principle can only be kept warm for a short period of time, say 60 to 90 days. When procurements drag on as they did in the case of the Fallon project potential venture capital sources find other projects in which to invest.

o This brings us to the profit potential concern. The government must understand that we must compete for venture capital funds in the financial community that is presented with a myriad of opportunities. For them the return on investment is a very significant factor. This return on investment must be evaluated by the potential investors without the regard of the various tax incentives that are discussed in the various DOD military agency reports on this subject. Tax incentives are nice, however, they have never made a deal fly on their own. It is the frosting on the cake!

o The government must also recognize that the present field of risk contractors for this third party market is very small. Your records indicate that at best there has been poor response to government Requests For Proposals or Invitations For Bids. In some cases there have been no response. This situation can only be corrected by the goverment's advertising by deeds, not words! You must demonstrate that you want technically competent suppliers to assume these risks and undertake these projects. Your words in this Conference Report could start this process by demonstrating that you have empathy for the factors I cited above. But it is ultimately up to the Service Branch to make it happen.

In closing I would like to stress the fact that the government is looking to motivate an entirely new cast of players with whom they normally don't do business. You have attempted by advertising in the Commerce Business Daily for Requests For Proposals and Invitations For Bid to the usual group that does business with the government. Small entreprenueral concerns that might be interested in competing for these opportunities do not normally subscribe to or read the Commerce Business Daily. The financial community has a fear of doing business with the government because of all of the regulations, restrictions, reports, etc. that are usually involved. In short, you have to have several projects on line that are profitable in order to attract competition.

[Whereupon, at 2:15 p.m., Thursday, March 22, the subcommittees were recessed, to reconvene Friday, March 23, at 10 a.m.]

MILITARY CONSTRUCTION AUTHORIZATION AND APPROPRIATION, FISCAL YEAR 1985

FRIDAY, MARCH 23, 1984

U.S. SENATE, SUBCOMMITTEE ON MILITARY CONSTRUCTION OF THE COMMITTEE ON ARMED SERVICES, SUBCOMMITTEE ON MILITARY CONSTRUCTION OF THE COMMITTEE ON APPROPRIATIONS,

Washington, DC.

AIR FORCE PROGRAMS

The subcommittees met jointly, pursuant to notice, at 10:05 a.m., in room SR-222, Russell Senate Office Building, Senator Strom Thurmond (chairman of the Military Construction Subcommittee of the Armed Services Committee) and Senator Mack Mattingly (chairman of the Military Construction Subcommittee of the Appropriations Committee) jointly presiding.

Present: Senators Thurmond, Exon, Bingaman; and Senators Mattingly, Sasser, Stennis, and Byrd.

Staff present: Drew A. Harker, George K. Johnson, Jr., James C. Smith III, and Rick Pierce, professional staff members; and Marie Fabrizio Dickinson, staff assistant.

Also present: Les Brownlee, assistant to Senator Warner; Ronald P. Kelly, assistant to Senator Humphrey; Mary A. Shields, assistant to Senator Stennis; Bob Bayer, assistant to Senator Nunn; Jeffrey B. Subko, assistant to Senator Exon, Edward McGaffigan, Jr., assistant to Senator Bingaman.

OPENING STATEMENT BY SENATOR STROM THURMOND

Senator THURMOND. The subcommittees will come to order.

This is our final hearing in the current series of military construction hearings. The Air Force Programs will be presented today by Maj. Gen. Clifton D. Wright, the director of engineering and services for the Air Force.

General Wright has been before us several times in past years, and we welcome him back for discussion on the fiscal year 1985 budget.

I might point out to my colleagues that the key to General Wright's success has been his fine engineering education, which he acquired at Clemson University, which happens to be in South Carolina, and is my alma mater.

General WRIGHT. Thank you, Mr. Chairman.

Senator THURMOND. We also have with us Brigadier General Scheer, the deputy to the chief of the Air Force Reserve, and Brigadier General Chambers, deputy director of the Air National Guard.

General Wright, we are in open session, so when you speak, I wish you would please keep your responses unclassified. If necessary, we will go into executive session at the end to get into classified matters.

Before we hear from you, though, we have the distinguished minority leader of the Senate with us today. He is one of the best parliamentarians that the Senate has ever had, an invaluable man, and I am glad to have him here.

Senator Byrd?

Senator BYRD. Mr. Chairman, I thank you for giving me this opportunity to ask some questions. I appreciate very much your kind remarks.

I have a great admiration for you, may I say, in return. It is a pleasure always to sit in on any committee hearing that you chair.

Senator THURMOND. Thank you.

Senator BYRD. I am on the Judiciary Committee, which I do not get to attend as much as I would like but you have always been very kind to me.

I also want to thank my other colleagues here who are being delayed by virtue of my questions.

My questions will be directed to General Chambers.

General Chambers, we are both aware of plans developed by the West Virginia Air National Guard to modernize and expand the Air National Guard base facilities at Charleston and Martinsburg, WV, to have the capability to accept mission expansion.

What would be the best way to accelerate this facility plan, and how would you propose that the process be accelerated?

General CHAMBERS. Yes, sir.

As you know, our facility programs are closely tied to weapons system modernization and expansion.

In general terms we try to support the weapon systems conversion facility requirements as our first priority, followed by meeting shortages of existing mission requirements, and then modernization and upgrade of existing facilities that are in need of such work.

Since our discussion on February 24 of this year, I have directed the staff to initiate a land-use master development plan for the Air National Guard West Virginia bases. I believe that this is the appropriate avenue to evaluate this facility plan and accelerate the process.

Senator BYRD. General Chambers, would you provide the details of the master plan?

General CHAMBERS. Certainly.

A professional A&E firm experienced in land use development and evaluation of facility requirements will be contracted to review the West Virginia proposal. This A&E firm will evaluate facility requirements to support expanded missions, determine facility alternatives and requirements, and estimate costs that would be necessary to proceed with any real property capital investment to support mission expansion.

As an example, the master plan would specify the additional facilities and associated costs that would be required to expand the existing 8 C-130 aircraft mission at Charleston and Martinsburg to 12 or 18 aircraft at each site.

Senator BYRD. How long would it take to complete that study?

General CHAMBERS. We estimate that this plan would require approximately 1 year to complete.

Senator BYRD. What is the possibility of additional C-130 aircraft at each of the two West Virginia sites?

General CHAMBERS. The Air National Guard does not have changes planned for any of the Air National Guard tactical airlift units in West Virginia. For the past several years, we have been fortunate that Congress has provided for the procurement of new C-130H aircraft for the Air National Guard and the Air Force Reserve to permit the retirement of older, less capable C-7's, C-123's, and C-124's, and to begin the retirement of some of our oldest C-130's.

In our tactical airlift force, our highest priority remains the replacement of C-130A aircraft. However, this is dependent on the decisions of the Air Force and the Congress on the procurement of additional C-130H's, and the transfer of strategic airlift aircraft, such as the C-5 or C-141 to the Guard Reserve.

Senator BYRD. What are the prospects for the location of more modern aircraft, such as C-130H's, at the West Virginia site?

General CHAMBERS. The Air National Guard and the Air Force currently have no plans to replace the current C-130's with more modern C-130H's in the West Virginia Air National Guard. Since the Air Force has not requested any additional C-130's, our force structure remains static. If additional C-130H's become available, they will most probably be used to replace our oldest C-130A aircraft.

Senator BYRD. Thank you, General Chambers.

I will be looking forward to the conclusions that are reached in the land use, the master plan, and the study.

Perhaps we will be talking with each other from time to time.

General CHAMBERS. Yes, sir.

Senator BYRD. Thank you very much.

Thank you, Mr. Chairman.

Senator THURMOND. We are glad to have you with us, Senator Byrd.

Senator BYRD. Thank you, Senator Mattingly, Senator Stennis, and Senator Melcher.

Senator THURMOND. I understand that Senator Stennis would like to take up a matter with our witnesses. We are very pleased to have him do so.

Of course, he was chairman of this committee for many years, and he is now the ranking member on Appropriations. He is one of the most respected and esteemed men in this Senate.

Senator Stennis, we would be glad to hear from you.

Senator STENNIS. Mr. Chairman, I thank you very much for your kind words. I came back home, here, just to visit with old friends, and old friends in the book, too—indicating—with these items and programs.

Thank you for your offer to proceed, but I will pass before I say anything and will wait my normal turn. But I will thank you again for your kind words and your courtesy.

Senator **Thurmond**. We are very glad to have you stay with us.

Senator **Stennis**. I will stay as long as I can.

Senator **Thurmond**. This is a joint hearing between the Armed Services Subcommittee on Military Construction and the Appropriations Committee Subcommittee on Military Construction. The distinguished Senator from Georgia is chairman of the Subcommittee of the Appropriations Committee and I will ask him if he wishes to make a statement at this time.

Senator **Mattingly**. I do have a statement, Mr. Chairman, but I will just put it into the record. Since we are holding joint hearings to save time and money, putting my statement will at least save part of the time.

Then I will wait and proceed with my questions after you proceed first.

Senator **Thurmond**. Thank you.

[The prepared statement of Senator Mattingly follows:]

Prepared Statement by Chairman Mack Mattingly

Today's hearing completes our service overview hearings on the fiscal year 1985 military construction budget request. We will hear from the Air Force today, and again, we will be in joint session with the Armed Services' Subcommittee on Military Construction chaired by the distinguised Senator from South Carolina, Mr. Thurmond. I am pleased to be here with Chairman Thurmond and I think we have found these hearings to be informative and yet because we are meeting jointly we are saving valuable time for all of us concerned.

The Air Force is requesting $2.165 billion in military construction and another $1.1 billion for family housing. We also have requests from the Air National Guard for $103 million and from the Air Force Reserve for $67.8 million.

I want to welcome our witnesses today from the Air Force—

Major General Clifton D. Wright, Director of Engineering and Services, Headquarters, USAF;

Brigadier General Wes P. Chambers, representing the Air National Guard; and

Brigadier General Roger P. Scheer, representing the Air Force Reserve.

In addition, I understand that before we begin with General Wright this morning, we will hear from two of our colleagues who would like to speak on issues important to them—Senator Melcher and Senator Byrd.

Mr. Chairman, I believe that completes my opening remarks.

Senator **Thurmond**. I see the distinguished Senator from Montana, Senator Melcher.

My wife's mother and father are from Montana, so we have always felt very close to that State. I have visited out there a number of times.

They have a cottage out on Georgetown Lake in Montana, so we feel very much at home in your State, Senator.

We would be happy to hear from you.

STATEMENT OF HON. JOHN MELCHER, A U.S. SENATOR FROM THE STATE OF MONTANA

Senator **Melcher**. Thank you very much, Mr. Chairman.

One of the pleasant delights we have in the summertime at Georgetown Lake is visiting with your father- and mother-in-law, your delightful children, and your delightful wife, and whenever you get there, it is a special privilege and honor.

Senator **Thurmond**. Thank you.

Senator MELCHER. Mr. Chairman, I am here today testifying to urge the Subcommittee on Military Construction to consider a number of additional items as it brings together its recommendations of the fiscal year 1985 Defense authorization bill.

Mr. Chairman, I am delighted that the hearing this morning is a joint hearing between the Subcommittees on Military Construction of the authorizing committee and the appropriating committee.

First, I would like to bring to everybody's attention the fact that the scheduled $30 million expansion and renovation project for the hospital at Malmstrom Air Force Base has slipped from the expected 1985–86 construction start date.

I would like to take note of the improvements needed at Malmstrom and hope that the construction and changes can be made quickly.

Second, I would like to point out that the military family housing requirement for the Conrad site in Montana has been reduced from 50 to 40 units. This is part of the site for the Strategic Air Command training mission.

The Strategic Training Range Complex would be a fixed site to go along with the sites now at Havre and Forsyth, MT. I understand that there will be a fourth site in South Dakota.

Unfortunately, we learned only yesterday that there has not been enough assignment of housing units for Conrad, MT. It was reduced from 50 to 40. It puts in into a rather precarious position and would require 10 of the personnel assigned to Conrad to drive from Great Falls to Conrad because there is no housing available at Conrad, unless it is constructed by the Air Force for these 10 families.

The letter that I have informing me of this is dated March 20 from General Davis, the Commander in Chief of the Strategic Air Command. I respectfully draw it to the attention of these subcommittees.

[The letter follows:]

DEPARTMENT OF THE AIR FORCE,
HEADQUARTERS STRATEGIC AIR COMMAND,
Offutt Air Force Base, NE, March 20, 1984.

Hon. JOHN MELCHER,
U.S. Senate,
Washington DC.

DEAR SENATOR MELCHER: As you know, the Strategic Air Command's FY 85 budget submission proposed to establish a Strategic Training range Complex (STRC) fixed site at Conrad MT as part of our program to modernize the training of our strategic bomber force. This site would perform the same function as, and have a configuration similar to, the Havre and Forsyth MT sites which were authorized in the FY 84 Military Construction Program (MCP). Unfortunately, during the budget review cycle, the indicated Military Family Housing (MFH) requirement for the Conrad site was reduced from 50 units to 40 units. This action will require our most junior enlisted, married personnel to seek available housing in the local community, housing which simply does not exist at Conrad.

Our continuing surveys of the Conrad area have repeatedly reflected virtually no rental market of suitable housing which can support our people. Further, commuting 100-miles daily to and from Great Falls would not only be a significant economic burden for ten of the 74 assigned personnel, but would be hazardous if not impossible during severe winter driving conditions.

I would therefore respectfully suggest that you consider sponsoring a $594,000 insert for the required 10 additional MFH units into the FY 85 MCP authorization and appropriation bills. Since housing for the Conrad site is to be constructed by a "turn-key" contract, the appropriate scope changes can be easily made to the request for proposals, which is currently being prepared.

Your assistance will be greatly appreciated.

Sincerely,

B.L. Davis,
General, USAF,
Commander in Chief.

Senator **Melcher**. Next, I would like to turn to a special interest that I have, the upgrading of the facilities at Clark Air Force Base and Subic Bay Navy Base in the Philippines. These are extremely vital and necessary bases for us in Southeast Asia. Because of the slippage in time that always seems to happen when there is renegotiation of the rental agreements in the Philippines for use of these two bases, there has been delay in needed improvements.

Both the Navy and Air Force have outlined what their most urgent needs are and for construction at those two bases. We strongly urge the committees to note those requests and to act positively and affirmatively on them.

We cannot afford any more delay in Southeast Asia and in upgrading these two bases. I think those are strategic and vital needs for us in that vast area of the Pacific and they cannot be overstressed.

Thank you very much, Mr. Chairman.

[The prepared statement of Senator Melcher follows:]

PREPARED STATEMENT OF SENATOR JOHN MELCHER

I am testifying today to urge the Subcommittee on Military Construction to consider a number of additional items as it brings together its recommendations for the Fiscal Year 1985 Defense Authorization Bill.

First, I would like to bring to the Committee's attention the fact that the scheduled $30 million expansion and renovation project for the hospital at Malmstrom Air Force Base has slipped from an expected 1985-1986 construction start date to a 1988 expected construction start date. In discussions with Air Staff personnel, I was told that the report prepared by the Air Force on use requirements for the hospital had been rejected as incomplete and that the Air Force Engineers were directed to go back and conduct more study on the subject. This was given as the reason for the slippage of the expected construction start date.

I want to point out to the Committee that architectural design contracts have already been let on this project and much work has already been completed on the design. I understand that appropriate procedures must be followed, many of them having been mandated by law, but I hope that the Committee can assist in seeing that there is no further slippage in the construction date for this important project at Malmstrom. The need is clear and this project is important to the effective functioning of the base and the health care of the officers and men stationed there.

Also, I want to bring another issue to the Committee's attention. The Strategic Air Command's FY '85 budget submission proposed to establish a Strategic Training Range Complex fixed site at Conrad, Montana, as part of its program to modernize the training of our strategic bomber force. This site would perform the same function as, and have a configuration similar to, the Havre and Forsyth, Montana, sites which were authorized in the FY '84 Military Construction Program. Unfortunately, I found out just yesterday that during the budget review cycle, the indicated Military Family Housing requirement for the Conrad site was reduced from 50 units to 40 units. This action will require the most junior enlisted, marrried personnel to seek available housing in the local community—housing which simply does not exist at Conrad.

Continuing surveys of the Conrad area have repeatedly reflected virtually no rental market of suitable housing which can support Air Force people. Further, commuting 100 miles daily to and from Great Falls would not only be a significant economic burden for 10 of the 74 assigned personnel, but would be hazardous, if not impossible, during severe winter driving conditions.

I, therefore, urge this Committee to consider adding $594,000 to the Fiscal Year 1985 Military Construction Program which would provide for the construction of the additional needed housing units.

Next, I want to turn to military construction needs at Clark Air Force Base and Subic Bay Naval Base in the Philippines. During a recent trip to the Philippines in December 1983, I had the opportunity to visit Clark Air Base and talk with Major General Kenneth Burns, Commander, 13th Air Force, about the military situation at Clark. Since then, I have also discussed defense issues related to Southeast Asia and our presence in the Philippines with Admiral W.J. Crowe, Commander In Chief, Pacific, and General Jerome O'Malley, Commander, Pacific Air Force.

These discussions convince me we are neglecting the strategic military importance of our facilities in the Philippines.

The importance of our facilities in the Philippines cannot be ignored. Both for the Navy and Air Force, the bases in the Philippines are located in an historic, friendly country long allied with the U.S. in mutual defense.

The Subic Bay/Cubi Point complex constitutes the largest American naval base west of Hawaii and is the key to the effective performance of U.S. naval missions in the Indian Ocean-Pacific Ocean region. The distance from Guam to Subic to Diego Garcia is 5,235 miles. The straits of Southeast Asia are separate, but all strategic and vital to our allies and the United States.

The importance of Subic Bay/Cubi Point stems from the advantageous combination of several factors, the most obvious of which is geographical location. Subic Bay is the center of the U.S. Seventh Fleet's areas of responsibility and is the only base we have for rapid projection of naval power or the logistical support of ships already operating from the Persian Gulf through the Indian Ocean on the South China Sea. No other naval facility in the region—Diego Garcia, Guam, Japan or the Marianas offer the natural assets of Subic Bay.

Yet these natural advantages of Subic Bay can only be fully utilized if we provide the permanent facilities needed to insure this base can meet its mission. Most of Subic Bay's unmet needs fall into the area of military construction. The Navy has requested $31.8 million in military construction for FY 1985 as follows:

Maintenance hanger construction at Cubi Point Air Station	$18,800,000
Energy improvements at Cubi Point	520,000
New engine test cell	4,940,000
Lighting systems at the Naval Communications Station at San Miguel	300,000
Unaccompanied enlisted personnel housing at Subic Bay	6,520,000
Ventilation improvements at the naval ship repair facility at Subic Bay	710,000

Our other major military facility in the Philippines is Clark Air Base. Clark Air Base is the kind of facility that could not be duplicated elsewhere in Asia. For example, the very fact that Clark is located near Subic Bay enhances its usefulness because the two facilities can coordinate operations and the advantage this gives our operations there is greater than just the sum of the two bases' independent capabilities. However, Clark is in need of important military construction work.

Clark's present mission is to support U.S. air operations in the Western Pacific, particularly the Western Pacific-Southern Air Defense Region, which includes the Philippines, the Trust Territory of the Pacific Islands, and Taiwan. Clark is also the home of the 13th Air Force headquarters, which has responsibility for the command, control, administrative and logistical support for operations in the western Pacific.

For the Military Air Command, Clark is the significant Southeast Asia base vital to servicing Diego Garcia.

Clark has important military construction needs in the coming year. The Air Force has identified some of the most important near-term needs at Clark:

An 11,200 SF forward supply location facility	$900,000
Assault landing strip	3,300,000
A 61,000 SF traffic management office	3,600.000
Addition to/alteration of family support center	300,000
Two sound suppressor support systems	900,000
The first phase of an essential maintenance facility	6,100,000
Phase III of the upgrade of an 10,000 KW powerplant	14,795,000

I hope that the Committee will give every consideration to these Military Construction requests for the Clark/Subic Bay complex. There is a tendency for foreign site MILCON to drop out during the legislative process, particularly in areas in which basing arrangements are the subject of periodic renegotiation, as in the Philippines. That is a mistake we have made in the Philippines for the last 15 years. We need to get away from a stop/go philosophy and put MILCON needs at Clark and Subic Bay on the highest priority. These bases are absolutely vital and their effective state of readiness has been and is still jeopardized by a "wait and see" policy of five-year renegotiations that periodically disrupt needed base operation refurbishments, repairs and upgrading.

Last June Assistant Secretary of State for East Asian and Pacific Affairs Paul D. Wolfowitz before the House Foreign Affairs Committee stated:

"U.S. military forces in the Philippines are evidence of our abiding commitment to the Philippines under our Mutual Defense Treaty. This security relationship is, in turn, a key element of our policies toward Southeast Asia, which have contributed significantly to the peace, security and remarkable economic growth and political stability of the entire region."

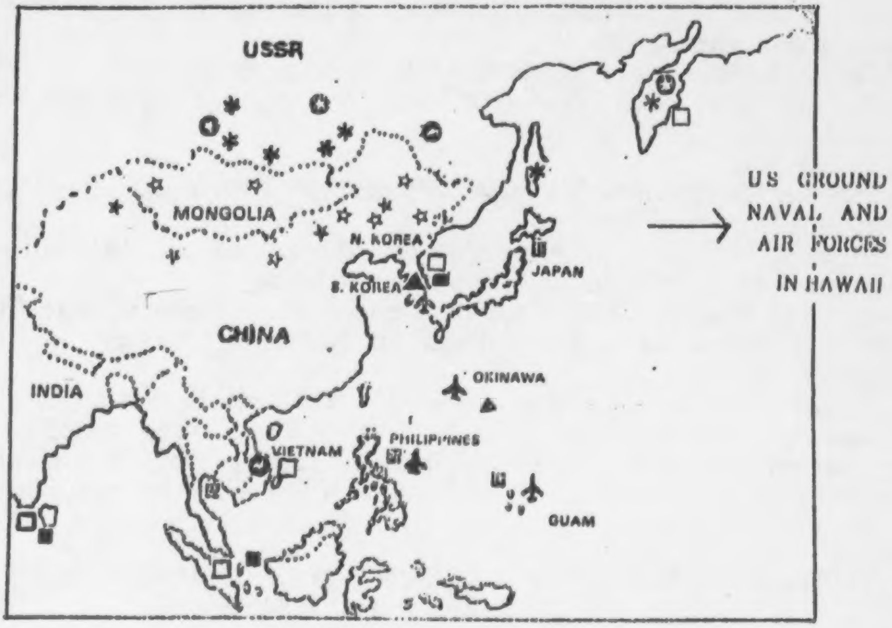
Those are fine sentiments, and I concur. Yet in December I found Clark Air Base to be waiting on their urgent needs. Discussions with military commanders in the Pacific Command stress that our military capability in the Philippines is not only stretched but, in my judgment, could not today meet the missions assigned to them.

The Soviet Union has stepped up its military presence in the area by deploying Bear, Bison, Badger bombers and fighter aircraft in Vietnam, and the Russian navy has begun to routinely patrol the South China Sea and the Southeast Asia strategic straits using the excellent facilities we left in Cam Ranh Bay for refueling, refurbishing and repair.

Furthermore, the cavalier or benign neglect of U.S. Philippine bases at Subic and Clark have caused the government of the Philippines, the Filipino people and, in particular, their business community to wonder if we are taking them for granted. The base rental agreement with them is $180 million per year compared to our payments of $502 million to Greece, $934 million to Turkey, and $415 million to Spain. The absolute strategic necessity of Subic and Clark far overshadows U.S. bases in these countries. These bases are our only means of meeting the possible threats that may arise all the way from the China Sea to the Straits of Hormuz, particularly in light of the growing Soviet military presence in the region.

We must make it clear that we intend to make the most of Subic Bay and Clark as the long-range mainstays of our national defense in Southeast Asia. By doing this, we will also help improve the stability of our relations with the Philippines by demonstrating that we are fully committed to the protection of the region and that we are there for the long haul.

MAJOR POWER BALANCE IN EAST ASIA AND THE PACIFIC


USSR
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OKINAWA
VIETNAM
PHILIPPINES
GUAM
US GROUND NAVAL AND AIR FORCES IN HAWAII

✱ SOVIET LAND CONCENTRATIONS
✪ MAJOR AIR BASE SOVIET
□ SOVIET NAVAL BASE

▲ U.S. LAND CONCENTRATION
✈ MAJOR AIR BASE U.S.
■ U.S. NAVAL BASE

✩ CHINESE LAND CONCENTRATIONS
✈ MAJOR AIR BASE CHINESE

Senator THURMOND. Thank you. We are glad to have you with us, Senator.

I think we can proceed now.

Again, I want to say that we are glad to have Senator Bingaman as a member of this committee. We are pleased that he could be here this morning.

Do you have any opening comments, Senator Bingaman?

Senator BINGAMAN. I do not have any opening comment, Mr. Chairman.

Thank you.

Senator THURMOND. We now will proceed with a statement by General Wright.

General Wright, I presume you would want to put your entire statement in the record, and then summarize it.

General WRIGHT. With your permission, sir, I would like to file the long statement and summarize it briefly in my opening remarks.

Senator THURMOND. Without objection, that will be done.

General WRIGHT. When I have finished the opening statement, we have a short briefing that we would like to present to the subcommittees, about a 10 minute overview of the Air Force programs,

Senator THURMOND. Fine.

STATEMENT OF MAJ. GEN. CLIFTON D. WRIGHT, DIRECTOR OF AIR FORCE ENGINEERING AND SERVICES

General WRIGHT. First, sir, let me address the size of this year's construction program.

Our request this year is some $136 million less than the original submission last year. It does, however, represent a modest increase, some 14 percent, after reductions last year in the Peacekeeper Program and for work at Ras Banas in Egypt.

The Air Force program this year consists of four distinct elements: systems acquisition; readiness; plant modernization; and family housing.

The first two elements are relatively fixed because they support national decisions to acquire new weapon systems and maintain a specific force structure.

For example, the Congress, in support of the President's initiative to rebuild our strategic and conventional forces, has authorized and appropriated funds for the Peacekeeper missile, the B-1 bomber, and the ground and air launched cruise missiles, to name some of the larger programs.

The third component of our request is plant modernization, and this primarily represents our assessment of the investment we need to upgrade or replace existing assets.

You have entrusted us with a physical plant with a replacement cost in today's dollars of $115 billion. Its average age is over 27 years, and unfortunately this age is not normally distributed.

Rather, the vast majority of the plants was acquired in the short period from World War II until the ICBM buildup, roughly from the mid-1940's to the early 1960's.

A good portion of these assets are plain worn out. They have become high energy users and consume a disproportionate share of our maintenance and repair resources.

Modernization is equally driven by the need to provide our personnel with an adequate place in which to work, live, and spend their leisure time. We know there is a relationship between the working and living environments and aircraft sortie generation—increased productivity, in simple terms.

Retention rates are higher when we clearly demonstrate that we care and are willing to put our scarce resources into improving the living and working environment.

Next, I would like to touch briefly on the issue of nonappropriated versus appropriated funding of morale, welfare, and recreation facilities.

In the past, the Congress and the services had a consensus on the types of facilities and circumstances establishing specific funding avenues. On balance, it was a fair and equitable arrangement.

In recent years, however, the Congress has shifted toward increased emphasis on nonappropriated funding, in essence, asking the service member to pay for facilities, in many cases, needed to implement national policy decisions.

Recognizing the fact that we are entering a very tough budget climate, we still have a responsibility to provide adequate recreational facilities for our people..

The services, as a result, have been put into the untenable position of having to choose between the member paying out of pocket for morale, welfare, and recreational facilities, or doing without.

Neither is acceptable.

Morale and welfare support for our personnel is very much an integral part of maintaining our readiness posture. I ask that you give serious consideration to supporting our requirements in this area.

The last issue I would like to address is the serious problem caused by the Congress' denial of projects to support accompanied tours at ground launched cruise missiles sites in Europe.

Last year, the Congress deferred for 1 year authorizations for family housing, schools, and other family oriented facilities. We understand that the Congress is not opposed to accompanied tours for ground-launched cruise missiles, but rather concerned about the potential impact of the intermediate range nuclear force negotiations with the Soviet Union.

A year has passed. The ground launched cruise missile is operational in the United Kingdom and about to go operational in Italy this month. The stalled INF talks give us no promise for any near-term change in our current deployment posture.

Because Greenham Common in the United Kingdom is an established installation, Secretary of the Air Force Verne Orr has opted to allow dependents to accompany their spouses.

While the living and educational conditions are far less than adequate, they are a much better alternative than forced separations.

At Comiso, Italy, and Florennes, Belgium, there are no alternatives to family separations. The local community does not have sufficient housing, and the bases being constructed have no family support capability.

As much as we would like to, we cannot opt to tough it out. Families will be separated, and in the final analysis, it's going to be much more expensive to the taxpayers.

As Chief Master Sergeant Sam Parish, the senior enlisted member of the Air Force, said so aptly at a recent Quality of Life hearing before the House Appropriations Committee, "Our people are being hammered while we're deciding national policy."

We cannot afford to demoralize our personnel any more than we already have by forcing them unnecessarily into unaccompanied tours.

We ask you to act decisively now to insure that we are able to adequately support these people.

I have just addressed the general issues, Mr. Chairman, that are of mutual interest to all of us. I believe that my colleagues from the Air National Guard and the Air Force Reserve have short statements that they would like to present.

Thank you.

[The prepared statement of General Wright follows:]

PREPARED STATEMENT OF MAJ. GEN. CLIFTON D. WRIGHT, DIRECTOR OF AIR FORCE ENGINEERING & SERVICES

INTRODUCTION

Mr. Chairman and members of the committee, I am Major General Clifton D. Wright, Director of Air Force Engineering and Services. It is a pleasure to appear before you again this year to present the Air Force's Military Construction Program for fiscal year 1985.

OVERVIEW

Our request this year, excluding the guard and reserve totals approximately $3.1 billion in authorization and $3.2 billion in appropriations. This is a reduction from last year's budget submission. It supports the Air Force initiatives in the areas of Systems Acquisition, Readiness, Modernization, and Family Housing.

PROGRAM HIGHLIGHTS

The committee and others have expressed an interest in several areas this year. For this reason, I will highlight the major topics of special interest.

SYSTEMS ACQUISITION

First, let's take a look at Systems Acquisition. At President Reagan's direction, we are in the process of restoring our military capability through modernization of both our conventional and strategic forces. Construction in support of Systems Acquisition will be $713 million in appropriations and $670 billion in authorization for fiscal year 1985.

Peacekeeper

We are presently in the process of modernizing our ICBM Forces. Last year, the President's Commission on Strategic Forces recommendations included deployment of one hundred Peacekeeper Missiles in existing Minuteman silos near F.E. Warren Air Force Base, Cheyenne, Wyoming, development of a new single warhead ICBM and further studies related to deep underground basing. Full scale development of the Peacekeeper missile began in June of 1983. Our final Environmental Impact Statement was published January 30, 1984. Delivery of the first missiles will be in May of 1986 with initial operational capability—10 missiles in place—by December of 1986. This year's increment of construction needed to support deployment of the Peacekeeper Missile totals $114 million in appropriations and $73 million in authorizations. It includes new construction as well as modification of existing facilities primarily at F.E. Warren, Wyoming and Hill AFB, Utah.

B-1B

We are in the process of producing one hundred B-1B bombers to replace our aging fleet of B-52's. They will be deployed in the United States at four existing bases (Dyess, Ellsworth, Grand Forks and McConnell) beginning in March of 1985. This year's program contains $95.7 million to continue construction at Dyess Air Force Base and begin construction at Ellsworth Air Force Base. The projects will upgrade existing facilities as well as add new facilities to meet unique B1-B needs. We will ask to begin design this year of facilities for Grand Forks Air Force Base and McConnell Air Force Base with construction planned in fiscal year 1986 and fiscal year 1987.

Air Launch Cruise Missile (ALCM)

The Air Launched Cruise Missile is another important element of our strategic offense. This year we will continue in our phased program of military construction with a request for $46 million to support the ALCM. This effort will complete construction at Carswell and Barksdale Air Force Bases and commence construction of ALCM support facilities and weapons storage area expansion at K.I. Sawyer Air Force Base.

Ground Launched Cruise Missile (GLCM)

The fiscal year 1985 program continues to support the deployment of GLCM in Europe. Last year, the Congress continued to appropriate funds for essential operational facilities. In December, the first GLCM base began operating at RAF Greenham Common in Great Britain. The second base at Comiso, Italy, will become operational in March of 1984.

The Congress directed that construction to support accompanied tours at GLCM bases be deferred for a period of one year during which the likely outcome of the INF talks could be assessed. The Air Force was instructed to resubmit the request for acompanied tour facilities in fiscal year 1985 based on the status of the negotiations. These negotiations have since stalled and the missile deployment begun. As a result, our fiscal year 1985 GLCM construction program, totaling $218 million, includes $111 million to support accompanied tours, including 250 housing units at RAF Greenhan Common, 400 units at Florennes Air Base, Belgium, and 576 units at Comiso. In addition, $37.3 million for school construction is included in the DOD budget. The need for these facilities to support accompanied tours cannot be overemphasized. The Air Force estimates that unaccompanied tours will cost an additional $200 million. These costs include increased payments in entitlements and allowances, transportation, and storage, as well as increases in training facilities and training personnel. The rapid personnel turnover associates with short tours also reduces both the operational experience level and the overall mission capability. In addition, unaccompanied tours have a documented adverse impact on morale, discipline, and retention. Equally significant is the fact that the European countries where GLCM is deployed are anxious to see our dependents present. Their absence lends credence to the argument that our bases are particularly susceptible to a threat which we are unwilling to expose our familes.

Over the Horizon-Backscatter Radar (OTH-B)

Strategic defense is an integral part of our deterrence posture. It provides timely, reliable and unambiguous detecting, warning and attack assessment. The OTH-B radar system will improve our warning capability by detecting enemy aircraft and cruise missiles at distances 1500 to 1800 miles from the Continental United States. We are completing construction of the east coast complex in Bangor, Maine, the first of three OTH-B sites.

This year, our request will begin development of the West Coast segment by constructing an Operations Center and Computer Support building at Mountain Home Air Force Base, Idaho. Future requests will complete requirements for the West Coast and Southern sites.

Anti Satellite System (ASAT)

As President Reagan said in his State of the Union address, space is our next frontier. It represents one of the most significant military areas. today, for example, both the Soviets and the U.S. are dependent largely on spacecraft for warning, communications and command and control of worldwide forces. The Soviets have a large and growing military space program. Most of the satellites they have launched in the last decade have had a military mission. In order to meet this growing threat, the Secretary of Defense has directed the Air Force to develop an anti satellite system. This year's military construction program includes $16.5 million for support facilities at Langley Air Force Base, one of two U.S. bases scheduled to receive the anti-satellite system. A western location would be developed in subsequent fiscal years.

Space Transportation System (STS)

This year, we are requesting $32 million for the Space Transportation System at Vandenberg. We now are nearing completion of work on the launch complex. The Shuttle Assembly Building project is also progressing on schedule within cost. A power plant project included in this year's program is required to support the primary power to the launch complex during flight operations. Funds are also requested to complete additional modifications on the complex.

Space Command

To ensure that we properly develop and manage the military potential of space, as well as focus on technological development, Air Force Space Command was established in 1982. This command links the operational user and research and development teams that design, build and launch spacecraft. In addition, Space Command is responsible for the U.S. strategic defense mission within NORAD. Our budget for fiscal year 1985 includes $25 million for the construction of a NORAD and Space Command Headquarters at Peterson Air Force Base, Colorado.

READINESS

The highest priority for our general purpose forces is to improve readiness and sustainability. This allows us to get the most out of what we have. This year approximately $188 million in appropriations and $144 in authorizations will address specific readiness issues.

Collocated Operating Bases (COB's)

Collocated Operating Bases support the beddown of over 2000 U.S. reinforcing aircraft to NATO at over 70 allied air fields. The United States Air Force's main operating bases and standby bases cannot support planned reinforcement without severe overcrowding and unacceptable vulnerability to enemy attack. To be able to conduct and support combat operation from these COBS, we have sought through NATO and the MCP, minimum essential facilities such as parking areas, fuel and ammunition storage at each location. NATO has raised the priority of the COB program. SL 35 (fiscal year 1984) contains some $32 million for COB MEF. We are optimistic that an increased ceiling for SLICE GROUP 36–41 will be agreed upon, and that the program will be completed by SLICE 39 (fiscal year 1988). This year's MILCON request contains $16.7 million in appropriations to prefinance MEF at three United Kingdom COBs. Prefinancing is the key to accelerating completion of this essential work by at least 3 years. These facilities are urgently required to support U.S. national commitment as well as our commitment to NATO.

Turkey base upgrade

The role of Turkey in the defense of Europe and its potential role in the security of the region has become increasingly significant. COBs which can support reinforcing aircraft are critical to the defense of Turkey and Europe.

In fiscal year 1984, the Congress authorized $66.7 million and appropriated $29.3 million for construction at Batman and Mus. At Mus $21.0M was provided for a runway. Congressional concerns restraining the obligation of the $29.3 million are right now being resolved with Turkey and NATO. This year we are requesting $24.5 million in appropriations to complete the provision of minimum essential operating facilities at Mus. This is a vital important program that needs your continued support through its completion.

Southwest Asia

The Persian Gulf region continues to be of strategic, political, and military importance to the U.S. Transporting our forces and equipment to that region is the critical element in every crisis scenario. The Congress has recognized this importance and systematically funded the development of a support struture to reduce air and sea lift. This year's request which contains $56 million in appropriations and $53 million in authorizations to construct runways, taxiways, munition storage and other critical improvements at Diego Garcia, Morocco and Oman, continues this multi-year effort.

Misawa

Last year, we initiated programming for the beddown of two squadrons of F-16 aircrafts at Misawa Air Force Base, Japan. Introduction of the F-16's will bolster present Air Force, Naval and Marine air units and help redress the growing disparity with the Soviet air forces in the Pacific theater. The facilities needed at Misawa to maintain and operate the F-16's and accommodate the attendant personnel and families will be jointly funded by the U.S. and the Government of Japan. In fiscal year 1984, the Congress appropriated $17 million to fund airfield, maintenance and storage facilities. The Japanese budget request for Japanese fiscal year 1984, to be approved in April, includes $84 million for constructing housing, shop and support facilities. This year's request of $18 million is for pavement upgrades, support systems and storage. The Japanese Government is committed to this program. They have pledged to fund almost 80% of the total beddown construction requirements programmed for completion by 1988.

QUALITY OF LIFE

No matter how good our strategy or how excellent our equipment, good people remain the heart of our forces. Well-trained, highly motivated service members are fundamental to combat readiness. Superior performance of our forces can only be guaranteed if we provide them with adequate facilities in which to live, work, and spend their leisure time. Not only does this combination ensure better efficiency but it also goes a long way in improving retention of our key personnel. The Congress has recognized this by supporting, in prior years, the Air Force's request to modernize its aging and deficient facilities. This year, more than half of our military construction budget request is dedicated to upgrading the workplace, constructing adequate medical facilities, providing quality housing, and community support for our people. We are highly appreciative of your efforts and we solicit your continued support.

Unaccompanied personnel housing

At the direction of both present and former Air Force Secretaries and Chiefs of Staff and outstanding support from the Congress, we have been able to make significant improvements to our unaccompanied personnel housing. Since we began in 1976, $691 million have funded improvements for over 58,000 spaces. This year's request for $245 million will correct deficiencies at 43 locations.

Upgrading the workplace

The Congress saw the need to modernize the workplace when it directed the services to replace our World War II wooden buildings by 1990. We applaud you for the insight shown in sponsoring this initiative. In the end, it will pay great dividends in lower O&M costs and greater productivity. The Air Force is moving out smartly. This year's request will fund the replacement of 3.2 million SF.

Medical

There is nothing more fundamental to the morale and welfare of our men and women in uniform and their families than their health care. In wartime, the need to provide adequate medical care from the battlefield to the rear area is obvious. The well-being of our people demands nothing less. But in peace-time, it is easy to overlook that same vital need for comprehensive medical care facilities.

In the past, the Congress has suggested that we double up in already crowded veterans facilities or possibly find adequate facilities in the private sector. We appreciate your concern and have examined these and many other alternatives and beyond any shadow of a doubt there is no substitute for the dedicated medical facilities we propose to construct. In fiscal year 1985, we are requesting $238 million for the replacement of several health care facilities and upgrades, including $201 million for Travis Air Force Base and $25 million for Loring Air Force Base.

Community facilities

Our request contains $49 million for community support facilities. Included are funds for construction of dining halls and gymnasiums as well as libraries and child care centers. It has been suggested from time to time that some of these activities be built through nonappropriated funds. However, to do so would put a major drain on alreadly limited NAF funds. More importantly, it fails to recognize that morale and welfare support for our people is very much an integral part of readiness and the responsibility of the Deaprtment to budget and the Congress to appropriate. We solicit your support on two fronts in this area—recognition that these facilities are an essential part of our overall readiness posture and that they be provided with other than nonappropriated funds.

MILITARY FAMILY HOUSING

This year's Military Family Housing request totals approximately $1.059 billion. It is comprised of $292 million for new construction improvements and planning and design; $679 million for operations and maintenance; $57 million for leases; $2 million for debt interest and mortgage insurance; and $28 million for repayment of the principal for Capehart and Wherry mortgages.

New construction

Our 1985 request, based on priority of need, provides 2,421 new housing units at nine locations: one new Strategic Training site at Conrad, Montana, 40 units; Fort MacArthur Annex (Los Angeles Air Force Station, California), 140 units; RAF Alconbury, 300 units; RAF Bentwaters, 200 units; the final increment of GLCM housing at RAF Greenham Common, 250 units; the first increments of GLCM housing at Florennes, Belgium, 400 units, and Comiso Air Station, Italy, 576 units; a classified location in the Federal Republic of Germany, 250 units; and replacement of Wherry housing at F.E. Warren Air Force Base, Wyoming, 265 units. In addition, our request will provide 40 additional spaces for mobile homes at Hanscom Air Force Base, Massachusetts and an upgrade/extension of utility systems supporting a build-to-lease program (210 units) at Osan Air Base, Korea.

Improvements

The major portion of the 140,000 Air Force housing unit inventory is more than 25 years old. Most have insufficient space, poor functional layouts, and lack amenities of modern life styles. Kitchens and bathrooms are antiquated and lack adequate counter and storage space, dishwashers and garbage disposals common to comparable private sector housing. Energy conservation was a limited concern when most of the units were constructed. Our fiscal year 1985 program contains 28 improvement projects for 5,002 units and 73 energy conservation projects for 36,849 units. The current FYDP long range funding profile will permit us to eliminate the improvement backlog by 1990.

Operations and maintenance

In recent years, we have had to reprogram monies from maintenance to operations to cover "must pay" costs. Fiscal year 1983 was an exception, primarily due to unusually mild weather. Fiscal year 1984 opertions appear to be about $18M short. Continued reprogramming of maintenance is self-defeating and undesirable. Our fiscal year 1985 housing operations and maintenance request recognizes those must pay costs to operate and maintain our existing inventory; sustains our efforts to reduce the backlog of deferred maintenance and repair; and provides a "good business sense" reduction in furniture and appliance backlogs. Our O&M program has been priced in accordance with specified escalation and foreign currency exchange rates. Based on our current funding profile, at will take until fiscal year 1990 to reduce the backlog of deferred maintenance and repair to a manageable level.

Leasing

Air Force lease programs in the U.S. were scheduled to terminate in fiscal year 1984. In the fiscal year 1984 legislation, Congress authorized testing of two new leasing programs for U.S. installations (P.L. 98–115, Sec. 801 & 802). We are requesting 1,200 lease authorizations in conjunction with those programs in fiscal year 1985. Funding for these leases will be included in the fiscal year 1986 program.

Where leasing is more economical at overseas locations, this program, especially build/lease projects, supplements assets available in local communities. We are requesting 8,863 lease authorizations in fiscal year 1985, including 500 new leases at Kadena AB, Japan. Because of the time lag between lease authorization and occupying the units, we are requesting appropriations for an average of 6,223 leased units, growing from 5,862 units at the end of fiscal year 1984 to 6,463 units by the end of fiscal year 1985.

Included in the 8,863 lease authorizations requested for fiscal year 1985 are leases previously authorized for GLCM at Comiso, Italy and Florennes, Belgium, which could not be executed because of cost and political difficulties. With your permission, we intend to use these lease authorizations to obtain valid build/lease cost data at other overseas installations with critical housing shortages. If we can obtain cost effective proposals to satisfy these critical needs, we will convert outyear construction programs to build/lease projects and request approval and funding to begin reducing long-term housing deficits.

Jobs bill

The committee will be pleased to hear that the Air Force was able to take full advantage of a one-time opportunity provided by the "Emergency Jobs Appropriation Act." We were able to increase the quality of life for military personnel and their families and to accomplish the intent of the appropriation act, that is, to put men and women back to productive work. Of the $73.2 million appropriated, we were able to obligate $70.3 million (96 percent prior to September 30, 1983. The remaining 4 percent is available to accomplish unforeseen discrepancies that invariably surface during construction of these projects.

CONCLUSION

To conclude, let me again express our appreciation for this committee's support. Let me assure you that the Military Construction Program for fiscal year 1985 has been carefully evaluated and represents the essential needs of the Air Force. Mr. Chairman, I thank you again for the opportunity to appear here today, and I will be happy to answer any questions you may have.

Senator THURMOND. Thank you very much, General Wright.

I think we will proceed with our other witnesses and then ask our questions.

Brig. Gen. Wess P. Chambers is next.

General Chambers, would you like your entire statement to go into the record?

General CHAMBERS. Yes, sir. Please.

Senator THURMOND. And you will make a brief summary?

General CHAMBERS. Yes, sir.

STATEMENT OF BRIG. GEN. WESS P. CHAMBERS, DEPUTY DIRECTOR, AIR NATIONAL GUARD

General CHAMBERS. Thank you very much, Mr. Chairman.

Mr. Chairman and members of these committees, I am pleased to appear before you with the Air National Guard military construction request for 1985.

The projects in this request are essential to the continuing modernization of the Air National Guard and will satisfy a substantial portion of the Air Guard's most urgent facility reqirements for the coming year.

In fiscal 1984, the Air National Guard continues to increase its combat capability in major mission areas. As a result of these efforts, Air National Guard flying units continue to make a substantial contribution to total Air Force combat capability, and will fulfill a large portion of the force commitment during any future crisis.

In mission areas for which the Air National Guard has units, we provide approximately 25 percent of the combat capability.

In three mission areas—tactical reconnaissance, air defense, and combat communications—the Air National Guard provides approximately 50 percent of the total Air Force combat capability.

As you can tell from my preceding comments, the Air National Guard is continuing to expand its roles in the total force.

The days are long gone when the Air National Guard was primarily a weekend operation. We participate daily as full partners with the Air Force and other components in worldwide overseas deployments, JCS and U.S. Air Force training exercises, and composite force training exercises.

To support these growing responsibilities, we need adequate facilities.

The fiscal 1985 request supports our latest weapon systems conversions and increases in existing weapon systems, and enables us to make some progress in upgrading our existing physical plant.

However, even after execution of the 1985 program, we still will have deficiencies in many areas. Many units are still operating from facilities that were not designed to support complex, sophisticated weapons systems.

Our fiscal 1984 construction program is proceeding well. To date, the Air National Guard has authorized construction on $60.5 million, or 64 percent, of the $94.8 million appropriated in 1984.

It is estimated that 97 percent of the fiscal 1984 program will be authorized for construction by the end of the fiscal year.

As an active partner with the Air Force in the total force, our facility requirements have increased each year with the changes and growth in Air National Guard missions. Continued realistic funding of the Air National Guard construction program is necessary to provide the facilities to support this increased mission tasking.

The Air National Guard request for the 1985 military construction program is $102.9 million. It includes $87 million for major construction, $7.9 million for minor construction, and $8 million for planning and design.

The program is composed of 67 projects at 48 locations in 34 States, and provides direct support of weapon systems conversions, facility modernizations, and a unit relocation.

Your committees have been highly responsive to Air National Guard requirements by providing the military construction vitally necessary to support critical weapon system modifications, conversions, and unexpected program revisions.

Your recognition and support of these requirements have greatly assisted us in achieving individual unit combat capability and in maintaining the high state of overall readiness exemplified by the Air National Guard.

Mr. Chairman, this concludes my statement in behalf of the Air National Guard fiscal 1985 military construction request. Your committee's continued interest and support is most sincerely appreciated.

Thank you, Mr. Chairman.

[The prepared statement of General Chambers follows:]

Prepared Statement of Brig. Gen. Wess P. Chambers, Deputy Director, Air National Guard

OVERVIEW

Introduction

Mr. Chairman and members of the Committee, I am pleased to appear before you with the Air National Guard Military Construction request for fiscal year 1985. The projects in this request are essential to the continuing modernization of the Air National Guard as part of the "total force" and will satisfy a substantial portion of the Air Guard's most urgent facility requirements for this coming year.

Modernization

Air National Guard flying units are organized into 24 wings, 67 groups and 91 flying squadrons with more than 1,600 assigned aircraft. The continued strong support of the active Air Force is permitting us to replace older, less capable aircraft with more modern and sophisticated weapon systems.

In fiscal year 1984, the ANG will continue its modernization efforts in most mission areas. One Tactical Air Support unit will convert from O-2As to C-19s and assume a strategic airlift mission. This unit will also be the backup carrier for the Space Shuttle. One Tactical Fighter unit (F-4C) will expand from 18 to 24 primary aircraft authorized, and two F-4C training units will expand from 12 to 18 and 44 to 50 primary aircraft authorized respectively. In the Tactical Reconnaissance mission area, three RF-4C units will expand from 18 to 24 primary aircraft authorized. Finally two Tactical Airlift units will change series from the C-130A/Ds to C-130Hs.

By the end of fiscal year 1984, twelve of the thirteen Air National Guard KC-135 units will be equipped with or in retrofit for the JT-3D engine. The JT-3D engine provides our KC-135s with increased thrust and offload capability, an increased combat capability, and a significant reduction in noise and emissions.

As a result of modernization efforts, Air National Guard flying units continue to make a substantial contribution to the total Air Force combat capability and will fulfill a large portion of force commitment during any future serious crisis. In fiscal year 1985, the Air National Guard will possess 68 percent of the total Air Force Air Defense Interceptor forces; 51 percent of Tactical Reconnaissance forces; 33 percent of Tactical Airlift forces; 25 percent of Tactical Fighter forces; 16 percent of Aerial Refueling forces; 14 percent of Rescue and Recovery forces; 15 percent of Electronic Combat forces; and 28 percent of Tactical Air Support forces. In addition, 15 Air Guard flying units are tasked in Central Command's (CENTCOM) plans.

CURRENT STATUS

Facilities

As you can tell from my preceding comments, the ANG is continuing to expand its roles in the total force. The days are long gone when the ANG was primarily a weekend operation. We participate daily as full partners with the Air Force and other components worldwide in overseas deployments, JCS and USAF training exercises and composite force training exercises. We maintain four A-7s on station at all times in defense of the Panama Canal supported by ANG KC-135 tankers. We maintain two aircraft control and warning radars in defense of Puerto Rico and we support airlift requirements throughout Central and South America with six C-130 aircraft. Our tankers daily refuel Air Force aircraft in both the Atlantic and Pacific theaters. To support all of those growing responsibilities, we need adequate facilities. Our fiscal year 1985 request supports our latest weapon system conversions and increases in existing weapons systems and enables us to make some progress in upgrading our existing physical plant. However, even after execution of our fiscal year 1985 program we will still have deficiencies in many areas. Many units are still operating from facilities that were not designed to support complex, sophisticated weapons systems.

Backlog

Longstanding requirements make up much of the Air National Guard construction backlog. The backlog after execution of the proposed fiscal year 1985 program is estimated at $530 million. This includes an estimate of new requirements during fiscal year 1985 and cost growth at the current escalation rate.

Progress on prior year programs

The prior year programs are progressing well. Construction has been authorized on $283.4 million (92 percent) of the $308.1 million appropriated since 1980 for military construction projects. The favorable bidding climate that developed in fiscal year 1980 continued throughout fiscal year 1983; however, there are now indications that this trend is slowing. The savings realized from very competitive bidding during 1983 have been used via congressionally approved reprogramming, to accelerate the construction of eight urgently required facilities.

The Air Guard has authorized construction to date on $60.5 million (64 percent) of the $94.8 million appropriated for the fiscal year 1984 military construction projects. It is estimated that 97 percent of the fiscal year 1984 program will be authorized for construction by the end of the fiscal year.

MILITARY CONSTRUCTION APPROPRIATION

Fiscal year 1985 request

As an active partner in the "total" force Air Force, our facility requirements have increased each year with the changes and growth in Air National Guard missions.

Continued realistic funding of the Air National Guard military construction program is necessary to provide the facilities to support this increased mission tasking.

The Air National Guard request for the fiscal year 1985 military construction program is $102.9 million. It includes $87 million for major construction, $7.9 million for minor construction and $8.0 million for planning and design. The program is composed of 67 projects at 48 locations in 34 states and provides direct support of weapons system conversions, facilities modernizations, and a unit relocation.

SUMMARY

Committee support

This committee has been highly responsive to Air National Guard requirements by providing the military construction vitally necessary to support critical weapon system modifications, conversions and unexpected program revisions.

Your recognition and support of these requirements have greatly assisted us in achieving individual unit combat capability and in maintaining the high state of overall readiness exemplified by the Air Guard.

Conclusion

Mr. Chairman, this concludes my statement in behalf of the fiscal year 1985 military construction request. This committee's continued interest and support is most sincerely appreciated.

Senator THURMOND. Thank you, General.

We would be pleased now to hear from Brig. Gen. Roger P. Scheer, deputy to the chief of Air Force Reserve.

General Scheer, would you like to have your entire statement put into the record?

General SCHEER. Yes, sir, I would.

Senator THURMOND. And you will summarize it briefly for us?

General SCHEER. I will do that.

Senator THURMOND. Thank you.

STATEMENT OF BRIG. GEN. ROGER P. SCHEER, DEPUTY TO THE CHIEF OF AIR FORCE RESERVE, HEADQUARTERS, U.S. AIR FORCE

General SCHEER. Thank you, Mr. Chairman and members of these committees for the opportunity to appear before these joint committees to present the Air Force Reserve military construction program for fiscal year 1985.

Fiscal year 1983 was an active year for the Air Force Reserve. We participated in both the Grenada and Lebanon operations. An Air Force Reserve crew brought back the first American evacuees from Grenada. Other Reserve crews completed the airlift, returning 622 American and 87 foreign students to the United States.

The Grenada support involved 20 Reserve Force strategic airlift missions, 4 tactical airlift missions, and 11 tanker sorties.

Reservists also were actively involved in support of the U.S. Forces in Lebanon. Six strategic airlift missions were flown in support of U.S. Marines after the destruction of their Beirut headquarters.

Other noteworthy Air Force Reserve missions successfully conducted in fiscal year 1983 included transport of disaster-relief cargo to earthquake victims in Colombia, major aerial spraying operations in Minnesota in response to a public health emergency, and numerous lifesaving search-and-rescue missions.

Besides these humanitarian missions, the Air Force Reserve demonstrated again its high level of readiness and proficiency training. The Air Force Reserve took an active role in 56 training exercises in 1983. A-10's were deployed to Germany and Denmark, and C-130's supported NATO exercises in Europe and Central America.

The Air Force Reserve continues to accomplish its mission of providing combat units, combat-support units, and qualified personnel for active duty in the Air Force.

The projects in our fiscal year 1985 request will satisfy the majority of the Air Force Reserve's most urgent facility requirements. Analysis of the Air Force Reserve mission conversions and military construction projects over the last 5 years readily shows more emphasis was placed on new facilities at the expense of our existing inadequate and deteriorating facilities.

Since 1980 and continuing into 1985, a great percentage of the Reserve military construction dollars have been committed to support substantial facility requirements generated by aircraft-modernization initiatives.

Even with this major moderization initiative, part of the Air Force Reserve continues to work and train for its wartime tasks in outdated, unsafe, and energy-inefficient facilities. In the program being presented today, $31.5 million will be required to support converting a C-130 unit at Kelly Air Force Base, TX, to a C-5 unit.

This will be the first C-5 equipped Air Force Reserve strategic airlift unit.

This year's total request for $67,800,000 will replace or upgrade part of our most urgently needed facilities. This request includes $69,900,000 to construct 21 new facilities and accomplish major alterations in an additional 5 facilities. These projects are located in 15 States and 1 overseas location; 61 percent of this request will be used for building modern and professional training and operations facilities for our people. The remaining 39 percent of our request will be used to construct more efficient and safer maintenance facilities needed for our people to properly care for our various weapons systems and their high-valued support equipment.

Thanks in great part to your past support, Mr. Chairman, the Air Force Reserve enjoys its highest state of readiness. The year 1983 marked the 6th consecutive year the Air Force Reserve met its end-strength goal. We enjoyed our highest retention rate. All flying units are currently combat ready, with the exception of three in conversion status.

In short, sir, the Air Force Reserve is fully capable of fulfilling its wartime mission. With your continued support, we trust we will continue this track record.

This ends my statement.

Thank you.

[The prepared statement of General Scheer follows:]

PREPARED STATEMENT OF BRIG. GEN. ROGER P. SCHEER, DEPUTY TO THE CHIEF OF AIR FORCE RESERVE, HEADQUARTERS, USAF

Mr. Chairman and members of the committee, thank you for the opportunity to appear before this committee to present the Air Force Reserve Military Construction Program (MCP) for fiscal year 1985.

We seek your continued support of the Air Force Reserve Military Construction Program to meet our essential facility needs. In the past, we have managed to achieve our proficiency training goals primarily in existing facilities that could not adequately support our training needs. However, through your support, we have made significant progress eliminating the worst and most inefficient of these facilities. Unfortunately, additional outmoded and uneconomical facilities need replacement. Our mission requirements can only be met by the construction of the new facilities.

Fiscal year 1983 was a very active year for the Air Force Reserve. We participated in both the Grenada and Lebanon operations. An Air Force Reserve crew brought back the first American evacuees from Grenada; other reserve crews completed the airlift, returning 622 American and 87 foreign students to the United States. The Grenada support involved 20 Reserve Force strategic airlift missions, four tactical airlift missions and 11 tanker sorties. Reservists also were actively involved in support of the US forces in Lebanon. Six strategic airlift missions were flown in support of US Marines after the destruction of their Beirut Headquarters.

Other noteworthy Air Force Reserve missions successfully conducted in 1983 included transport of disaster relief cargo to earthquake victims in Columbia, major aerial spraying operations in Minnesota in response to a public health emergency and numerous life-saving search and rescue missions.

Besides these exceptional humanitarian missions, the Air Force Reserve demonstrated again in fiscal year 1983 its high level of readiness and proficiency training. The Air Force Reserve took an active role in 56 training exercises in 1983; A-10s were deployed to Germany and Denmark and C-130s supported NATO exercises in Europe and Central America. The Air Force Reserve continues to accomplish its mission of providing combat units, combat support units and qualified personnel for active duty in the Air Force.

The Air Force Reserve is a major participant in the Total Force. For example, last year we provided 48 percent of the total Strategic Airlift Aircrews, 26 percent of the Tactical Airlift Aircraft, 28 percent of the Weather Reconnaissance Aircraft, 28 percent of the Special Forces Aircraft and 23 percent of the Air Rescue and Recovery Aircraft. While the flying units provide a significant portion of the Total Force, the Air Force Reserve also has a large combat support and mission support capability. The Air Force Reserve provides 100 percent of the Air Force's Medical Service Squadrons, 64 percent of the Aeromedical Evacuation Units and 25 percent of the Air Force's Tactical Hospitals and Clinics. Also, the Air Force Reserve provides approximately 17 percent of the Air Force Civil Engineering Prime Beef force and equipment and 47 percent of the Aerial Port Squadrons.

The continuing key to the Air Force Reserve's sucess is motivated people and modern weapon systems, adequate support equipment and facilities and, of course, the continuing strong support of the active force. We are stronger than we have even been. Reservists in well-trained units are accomplishing their primary mission of training for mobilization through dedication to the role of citizen-airmen with the support of their families, communities and a strong congressional commitment.

The projects in our fiscal year 1985 request will satisfy the majority of the Air Force Reserve's most urgent facility requirements. Analysis of the Air Force Reserve mission conversions and MCP over the last five years readily shows more emphasis was placed on new facilities at the expense of our existing inadequate and deteriorating facilities. Since 1980 and continuing into fiscal year 1985, a great percentage of the Reserve Military Construction dollars have been committed to support substantial facility requirements generated by aircraft modernization initiatives. Even with this major modernization initiative, part of the Air Force Reserve continues to work and train for its wartime tasks in outdated, unsafe and energy inefficient facilities. In the program being presented today 31.5 million dollars will be required to support converting a C-130 unit at Kelly AFB to a C-5 unit. This will be the first C-5 equipped Air Force Reserve Strategic Airlift unit.

This year's total request for $67,800,000 will replace or upgrade part of our most urgently needed facilities. This request includes $60,900,000 to construct 21 new facilities and accomplish major alterations in an additional five facilities. These projects are located in 15 states and one overseas locations. Sixty-one percent of this request will be used for building modern and professional training and operations facilities for our people. The remaining 39 percent of our request will be used to construct more efficient and safe maintenance facilities needed for our people to properly care for our various weapon systems and their high-valued support equipment. This request also includes $2,250,000.00 to satisfy our unforseen and urgent construction projects driven by mission changes and $4,650,000 for Architectural Engineering Services (Planning and Design). Design of the fiscal year 1985 MCP is progressing and will allow early fiscal year obligation of construction funds. Our estimate for advertising the fiscal year 1985 program is presently on schedule with a ready date of October 1, 1984. We have started design on our fiscal year 1986 projects and estimate all projects to be at least 35 percent designed by January 1, 1985, as specified by law.

We have been very successful in advertising and awarding our projects. Twenty of the 22 fiscal year 1983 projects are under contract. We expect to award the two remaining fiscal year 1983 projects by March 1984. Most imporantly, the savings resulting from favorable bids had allowed us to reprogram four fiscal year 1985 projects for funding with fiscal year 1983 dollars. The four projects have an estimated cost of $3,877,000.00 and will be awarded during fiscal year 1984.

We are also well under way in awarding the projects in our fiscal year 1984 program. Presently, nine projects with a current working estimate of $10.3 million are already under contract or are being advertised for award. The dollar value of these nine projects is approximately 30 percent of the funds allocated for fiscal year 1984. Current estimates indicate that our fiscal year 1984 program will be 100 percent awarded during the fiscal year.

The Air Force Reserve is fulfilling its peacetime mission and is ready to meet its wartime commitments. All our units which are not in the midst of a conversion are combat ready. We have a motivated, professional force and are acquiring the most modern equipment to meet our mission demands. We need the essential facilities presented in this program request to train, maintain and operate this Total Force component. These facilities are basic to retaining our people and preserving our high state of morale.

This concludes my statement on behalf of the Air Force Reserve fiscal year 1985 Military Construction Program request. Mr. Chairman, I will be glad to answer any questions the committee may have.

Senator THURMOND. Thank you very much, General. We appreciate your statement.

I think we might have now the additional presentation you wanted to give us, General Wright.

Is it a film?

General WRIGHT. Mr. Chairman, with your permisison, it is just a short briefing using Vu-Graphs, and should last about 10 minutes.

Senator THURMOND. All right. You may proceed.

General WRIGHT. This series of slides will be an overview of the Air Force program.

Senator THURMOND. Let me say that I see a lot of young people in the audience this morning. Why don't ycu all come around to this side of the screen so that you can see the presentation better.

STATEMENT OF COL. FRANCIS A. DeMARTINO, CHIEF, PROGRAMS DIVISION, DIRECTORATE OF AIR FORCE ENGINEERING AND SERVICES

FISCAL YEAR 1985 PROGRAM

Comprehensive, integrated program that supports: quality of our forces; and quality of life for our people.

Represents strong commitment by Air Force leadership to provide: improved living and working conditions which have tremendous impact on productivity, retainability and effectiveness of the force.

Colonel DEMARTINO. The Air Force program again this year gives a good balance between quality of life, quality of our forces, and facilities to support readiness and weapon system acquisition.

FISCAL YEAR MILITARY CONSTRUCTION PROGRAM AUTHORIZATION/APPROPRIATION SUMMARY

[Dollars in thousands]

	Authorization	Appropriation
Military construction:		
Inside the United States	$1,318,116	$1,358,916

FISCAL YEAR MILITARY CONSTRUCTION PROGRAM AUTHORIZATION/APPROPRIATION SUMMARY—Continued

[Dollars in thousands]

	Authorization	Appropriation
Outside the United States	550,544	596,834
Worldwide (design, minor construction, access roads, minor land)	209,450	219,650
Total	2,078,110	2,165,400
Family housing:		
Construction and acquisition	292,400	292,400
Support	766,232	766,232
Total	1,058,632	1,058,632
Grand total	3,136,742	3,224,032

Authorization and appropriation totals differ slightly to reflect continuing authorization for facilities in Europe, such as COB's, facilities in Turkey, and some MX and Peacekeeper authorizations for previous years.

Let me turn next to the military construction program.

Fiscal year 1985.—Military Construction Program: by group

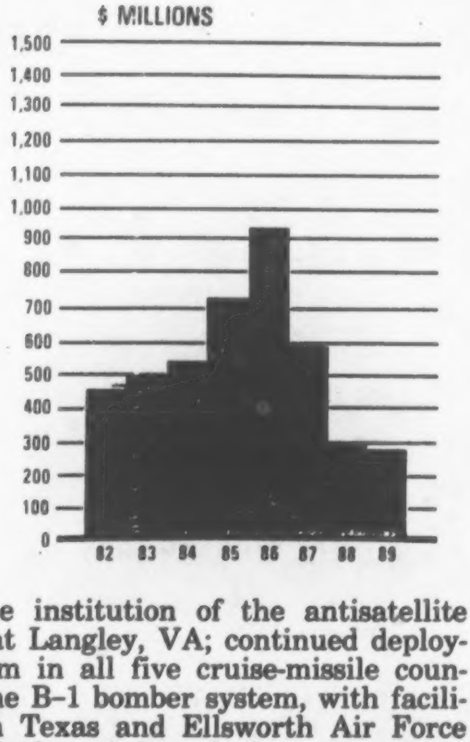
	Dollars in millions
Systems acquisition	713
Readiness	188
Plant modernization	1,079
Planning and design	164
Unspecified minor construction	21
Totals	2,165

We have some $700 million to support new hardware, missiles, and airplanes that are in our acquisition program; almost $200 million to support readiness for our forces overseas; and some $1 billion to improve facilities, modernize our plant and improve the quality of life for our people.

SYSTEMS ACQUISITION

MAJOR ITEMS

- ANTI-SATELLITE MISSILE
- GROUND LAUNCHED CRUISE MISSILE
- B-1B BOMBER
- AIR-LAUNCHED CRUISE MISSILE
- SPACE COMMAND HEADQUARTERS
- OTH-B RADAR
- SPACE TRANSPORTATION SYSTEM
- CONSOLIDATED INTELL TRNG
- TR-1/PLSS
- STRATEGIC TRNG RANGE COMPLEX
- PEACEKEEPER
- KC-10 REFUELER



Milcon this year supports the institution of the antisatellite weapons system, with facilities at Langley, VA; continued deployment of the cruise-missile system in all five cruise-missile countries; continued deployment of the B-1 bomber system, with facilities at Dyess Air Force Base in Texas and Ellsworth Air Force Base; continued deployment of the air-launched cruise-missile system with facilities at Barksdale and Carswell Air Force Bases. A new initiative is to move space command headquarters from downtown Colorado Springs to Peterson Air Force Base in Colorado. We continue deployment of the over-the-horizon Backscatter radar system by initiating construction at the west coast site. We continue to provide adequate launch facilities for the space transportation system at Vandenberg Air Force Base in California. We are starting a new initiative to consolidate intelligence training in the Air Force at Goodfellow Air Force Base, TX.

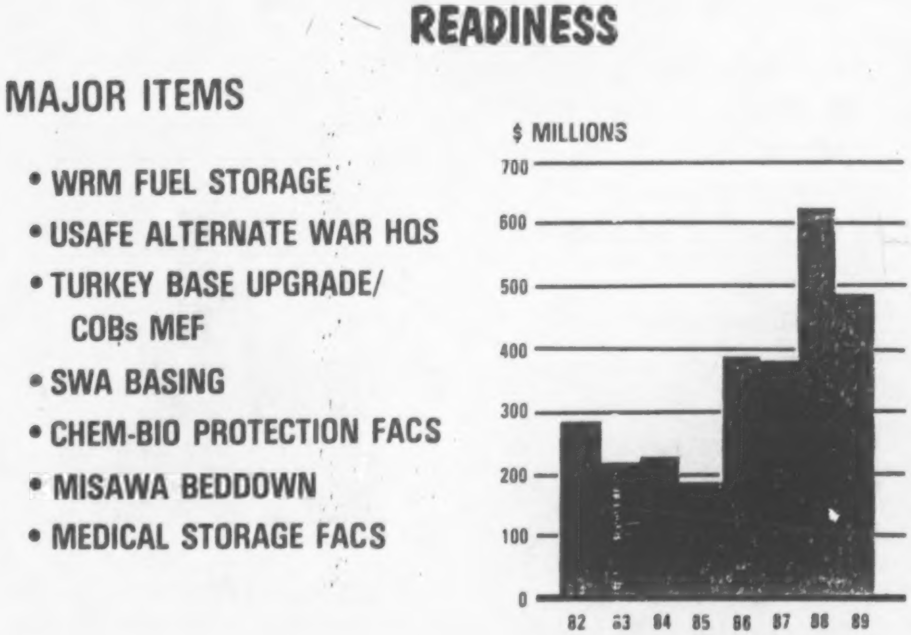
In 1983, the Congress gave us money to bed down the TR-1 at Alconbury Air Force Base in the United Kingdom. This year, we are asking to complete that system by providing funds for the PLSS system that will fly on the TR-1, with facilities in Germany, the United Kingdom, and in Nevada and California.

For the strategic training range complex, which was spoken to earlier this morning, we are asking for two additional sites, at

Conrad and Dickerson Air Force Stations. Those would be the fourth and fifth sites. Next year we will complete the strategic training range complex with a site at Bell Fourche, SD.

Peacekeeper continues. There is $114 million for facilities mainly at F.E. Warren Air Force Base.

The KC-10 program continues, with a request for facilities at March Air Force Base in California and Seymour Johnson Air Force Base.



READINESS

MAJOR ITEMS

- WRM FUEL STORAGE
- USAFE ALTERNATE WAR HQS
- TURKEY BASE UPGRADE/ COBs MEF
- SWA BASING
- CHEM-BIO PROTECTION FACS
- MISAWA BEDDOWN
- MEDICAL STORAGE FACS

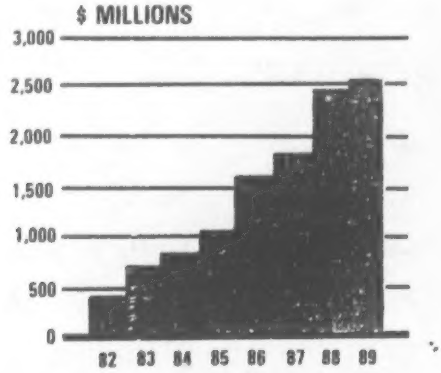
In the area of readiness, we are asking for facilities to provide WRM fuel storage in both the United Kingdom and at Kadena Air Force Base; provide a semihardened alternate war headquarters in Europe; by continuing on the appropriations side the upgrade of two air bases in Turkey; and also by providing facilities for COB's in the United Kingdom. In Southwest Asia, we are continuing our program and are requesting facilities in Oman, Morocco, and Diego Garcia. For chemical-biological protection facilities, these are the requirements: to provide chemical and biological protection on facilities that are built through the NATO infrastructure program. Chemical-biological protection is a user-nation responsibility. The facilities are provided by NATO, but we have to provide the chemical and biological protection for our personnel.

Regarding the Misawa beddown, last year Congress allowed us to begin bedding down two F-16 squadrons at Misawa in Japan. This is the second increment of that beddown request. Last is medical storage facilities, both for second- and third-echelon facilities throughout the world.

PLANT MODERNIZATION

INCLUDES

- MEDICAL
- DORMS/OQ
- COMMUNITY
- WORKPLACE UPGRADE



In plant modernization, we have fund requests for medical programs, dormitory programs, for the community where our people live, and to upgrade their workplace.

Fund distribution is as shown in the following slides.

MEDICAL

(\$ MILLIONS)

10 PROJECTS		238
HIGHLIGHTS		
LORING	CMF	24.9
CHARLESTON	CLINIC/DENTAL CLINIC	8.2
TRAVIS	CMF PH II	201.2

In the medical program, there are 10 projects for \$238 million, with three major projects, all replacement facilities; Loring Air Force Base, Charleston Air Force Base, and a major medical facility at Travis Air Force Base in California.

UEPH/UOPH

(\$ MILLIONS)

42 PROJECTS			212
HIGHLIGHTS			
GALENA	ALTER UEPH	134 PN	11.8
KEESLER	ALTER UEPH	792 PN	9.5
OSAN	ALT/CONST UEPH	1,480 PN	30.4
LACKLAND	UEPH (TECH TRNG)	504 PN	7.4
OSAN	UOPH	80 PN	3.9
MARCH	ALTER UEPH	348 PN	5.6
PEASE	ALTER UEPH	588 PN	5.1
RAMSTEIN	UEPH	432 PN	5.2

Our dormitory program includes 42 projects at $212 million. The major projects included are shown here.

UNACCOMPANIED PERSONNEL HOUSING

(PEOPLE)

TYPE	NEW	ALTERATION	TOTAL
UEPH	5964	8384	14,348
UOPH	439	—	439
TRANSIT	162	—	162

This shows distribution between new construction and alteration. The majority of the facilities are going to our enlisted personnel, with some 400 spaces going for our officer personnel—all overseas.

COMMUNITY

($ MILLIONS)

29 PROJECTS		49
HIGHLIGHTS		
	DINING HALLS	18.8
	GYMS	11.7
	CHILD CARE CENTERS	6.3
	RECREATION CENTERS	1.7
	LIBRARIES/ED CENTER	3.2
	AIR FORCE MUSEUM	5.4
	FAMILY SUPPORT CENTERS	1.1

In community, we have 29 projects at roughly $50 million, as distributed on this slide. It is a very austere program in the community area this year.

UPGRADE THE WORKPLACE

($ MILLIONS)

OPS/TRAINING	126
MAINTENANCE	174
RESEARCH AND DEVELOPMENT	44
SUPPLY	29
ADMIN	84
UTILITIES	89
ECIP	29
POLLUTION	5
TOTAL	580

There is a major effort to upgrade the workplace, as General Wright spoke to earlier. Our physical plant is deteriorating quite rapidly. We would like to put about a $600 million investment into modernizing that plant this year.

I will move on now to family housing.

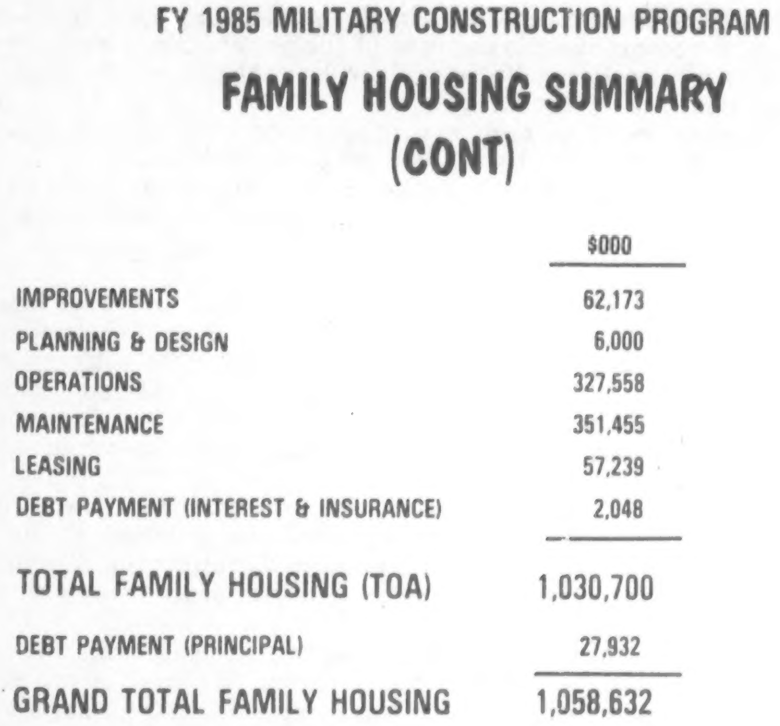
FY 1985 MILIITARY CONSTRUCTION PROGRAM

FAMILY HOUSING SUMMARY

NEW CONSTRUCTION	$000	NO. OF UNITS
FORT MacARTHUR, CALIFORNIA	16,500	140
HANSCOM AFB, MASSACHUSETTS	500	–
CONRAD STR, MONTANA	3,705	40
F.E. WARREN AFB, WYOMING	17,343	265
SUBTOTAL INSIDE THE UNITED STATES	38,048	445
FLORENNES, BELGIUM	37,509	400
CLASSIFIED, GERMANY	24,086	250
COMISO, ITALY	50,070	576
OSAN AB, KOREA	2,700	–
RAF ALCONBURY, UNITED KINDGOM	27,410	300
RAF BENTWATERS, UNITED KINGDOM	21,963	200
RAF GREENHAM COMMON, UNITED KINGDOM	22,441	250
SUBTOTAL OUTSIDE THE UNITED STATES	186.179	1.976
TOTAL NEW CONSTRUCTION	224,227	2,421

Our new construction program totals some $224 million. It provides the third increment of facilities at Fort MacArthur Air Force Base, CA, to support Air Force personnel working in the Los Angeles area. It provides some trailer spaces at Hanscom and provides the housing we spoke to earlier at the strategic training range at Conrad Air Force station in Montana. In replacement projects, the first initiative in the Air Force is to replace wherry housing at F. E. Warren Air Force Base in Wyoming.

The overseas program includes family housing, as General Wright spoke to, for our GLCM personnel at Greenham Common in the United Kingdom, Comiso, Italy, and Florennes, in Belgium. It also includes deficiency requirements in Alconbury and Bentwaters, and an initiative to begin providing for building these facilities at Osan Air Base, Korea.



FY 1985 MILITARY CONSTRUCTION PROGRAM

FAMILY HOUSING SUMMARY (CONT)

	$000
IMPROVEMENTS	62,173
PLANNING & DESIGN	6,000
OPERATIONS	327,558
MAINTENANCE	351,455
LEASING	57,239
DEBT PAYMENT (INTEREST & INSURANCE)	2,048
TOTAL FAMILY HOUSING (TOA)	1,030,700
DEBT PAYMENT (PRINCIPAL)	27,932
GRAND TOTAL FAMILY HOUSING	1,058,632

The remaining accounts in family housing are summarized in this slide.

That completes our briefing.

Senator THURMOND. Thank you very much.

General WRIGHT. Mr. Chairman, we would be happy to take any questions the subcommittees may have.

Senator THURMOND. We have just heard that there is a request for hundreds of millions of dollars for defense.

It would be wonderful if the Soviets did not have as their goal the spreading of aggression throughout the world, so that we would not have to spend all of this money for defense. It would be so much nicer if we could spend it on education, research and development to aid mankind, assisting the poor, and other things. But as long as we have dictators in the world such as we have in the Soviet Union today, it is necessary to spend these funds so as to remain free.

We have had dictators all down through the generations. We had Ghengis Khan, we had Hitler and Mussolini. The dictators of the world today are in the Soviet Union. There is a handful of people there who want to dominate the whole world, with Moscow as their headquarters.

I just wanted everyone to understand that the money asked for here today is necessary if we are going to remain free.

We have the greatest country in the world, and the main reason I think it is the greatest is because of the freedom and the opportunity that we have here. We would not have that here if we did not keep this country strong militarily.

The Soviets want to take over the world. We must not forget that. To remain free, we have to be prepared militarily.

I just wanted to make that statement to you young people so that you would get some conception of why these gentlemen are here this morning asking for money for the Defense Department.

We can go to questions now.

You had proposed using some innovative contracting techniques on a trial basis to see if you could save some money. If I understood your proposal, you were going to hire a private firm with construction management capability, and turn over to it the responsibility to contract for and administer a block of projects.

I am told that you have run into difficulty with this proposal and am wondering why?

General **Wright**. Mr. Chairman, we are exploring several alternatives to reduce the cost of design and construction to the Air Force. One is the procedure you mentioned, employing a construction manager to oversee the complete project from design through construction.

We have encountered some legal complications within the selection process which get rather complicated, but they involved the difference between architect and engineer selection and source selection, as we do in other contracting methods.

We are attempting to get some language prepared that we would submit to the Congress and hopefully have that added to the 1985 bill which I think would clear the way for us to do this.

We have everyone in agreement, I believe, within the Defense Department that this is necessary. The Air Force wants to do this on a prototype basis to see if we cannot shave some dollars off what it takes to construct facilities.

We would appreciate the support of the Congress when we come over with that language.

Senator **Thurmond**. What legislative authority would you need to be able to pursue this approach. But you will submit legislation, then, as I understand it?

General **Wright**. Yes, sir.

Senator **Thurmond**. We will look forward to receiving that.

Now, as to third party contracting, I believe you are in the process of advertising two large power plant jobs using the third party concept, whereby the successful contractor would build the power plant at his own cost and operate the plant, with the Air Force reimbursing the contractor through purchase of the utility over the life of the power plant.

Can you give us a status report on where these contracts stand and provide additional details for the record?

General **Wright**. Yes, sir.

We are pursuing two locations actively today. One is at Chanute Air Force Base in Illinois, and the other is at K.I. Sawyer Air Force Base in Michigan.

Chanute is our pilot project, Mr. Chairman. We are very excited about this third party financing initiative and believe that it will indeed enable the Government to save money in terms of delivering these power plants.

The request for a proposal for the Chanute plant was put in the public domain on the 10th of February, and we received much interest, about 26 responses.

The original bid opening was scheduled for April 10. It has been extended by the Air Force until May 10, at the request of a number of the proposers to give them more time to figure their proposal.

In July, we will decide whether we can go with this third party financing initiative, or with military construction, depending upon complications that may arise or the economics of the situation.

We hope to have a contract in October of this year if we go with the third party alternative, and in December if we go military construction.

At K.I. Sawyer, we hope to have a request for proposal on the street this summer, in July, and open the proposals in September. We will decide in the fall whether we can go with third party financing or military construction.

We would hope to have a contract either way in the February-March-April timeframe of next year.

Senator **Thurmond**. Are you able to give us any judgment as to the viability of the third party concept?

General **Wright**. Sir, it looks promising right now. This is a new concept, and it has generated a lot of interest. A lot of people are learning as we go along. We want to be very careful that we don't make a lot of mistakes.

The people who are submitting proposals are obviously very, very cautious because they are businessmen and they enter this venture in terms of a return on their investment.

So, as it begins to unfold, we learn new things every day in this endeavor.

Senator **Thurmond**. I would like to ask a few questions now about the space shuttle.

How much construction money has gone into the space shuttle facilities to support your operation at Vandenberg Air Force Base?

General **Wright**. Sir, we believe that the current cost to complete the facilities at Vandenberg is in the neighborhood of $535 million.

Senator **Thurmond**. Are you going to be ready with the necessary facilities to meet the current launch schedule for Vandenberg.

General **Wright**. Yes, sir; we are on schedule at this time.

Senator **Thurmond**. In 1983, you completed construction of a solid rocket booster refurbishment facility at a cost of $23 million to process booster rockets launched from Vandenberg. However, the facility has not been activated because, I am told, the Air Force now believes the launch rate is insufficient to justify the cost of fully using it, and you intend to use facilities at Kennedy Space Center.

What was the basis for the Air Force decision to construct a solid rocket booster processing facility at Vandenberg Air Force Base?

General **Wright**. Sir, let me see if I can clarify the record on this because there may be some confusion.

The solid rocket booster external tank facility was a total package of about $32 million in the 1981 program.

Within that package was an external tank storage facility which was $9 million. The other part of that package was solid rocket booster refurbishment and subassembly facility for $23 million.

The external tank storage facility, the $9 million line item, is a four bay storage building that was to store the large liquid fuel tanks that go on the booster. If you will recall the space shuttle, this fuel tank is the very large tanks which you see the space vehicle riding on as it goes up, when it is launched.

In this building, we have a four bay storage area for these tanks, and one high bay for maintenance and checkout of the large tanks.

The project was originally scoped to support 10-12 launches of the shuttle from Vandenberg. The current profile for launches at Vandenberg is on the order of three to seven per year. So, obviously, there is a reduction in the number of tanks that have to be stored and processed at Vandenberg.

Currently, we are using only two bays of that four bay facility and the checkout bay.

We figure that, as it stands right now, and, of course, we have growth potential in the event that the lauch schedule picks up again at Vandenberg, using half of the $9 million building, we are still, we think, economically using the facility—not to its full potential, but we did not build a building that is not necessary.

Senator **Thurmond**. I have a few questions now on child care.

I note that you have several child care centers in your construction request. What is the total backlog for child care construction, including fiscal 1985, and would you provide a list for the record?

General **Wright**. Yes, sir; I will.

We have a backlog of about 46.

[The information requested follows:]

Child Care Centers

The Air Force has a backlog of 36 child care centers. The fiscal year 1985 program includes projects at Alconbury, McChord, Norton, Travis, The Air Force Academy, Zweibrucken, Florennes, and Comiso. The following bases have Code 3 facilities requiring replacement: Altus, Torrejon, Vogelweh, Woodbridge, Keesler, Lackland, Mather, Sheppard, Clark, Wheeler, George, and Indian Springs. The following Code 2 child care facilities require replacement/additions: Wethersfield, Irakloin, Izmir, Ramstein, Wright-Patterson, Patrick, Rhein-Main, Kirtland, McGuire, Yokota, Grand Forks, Loring, Tyndall, Malmstrom, Vandenburg, and Whiteman.

Senator **Thurmond**. Have you considered bringing in some third party to build and operate your child care centers?

General **Wright**. Sir, we have not actively sought proposals for third party interests in child care centers. We have talked about it and discussed it. There are several reasons why we feel as though that might not be a good idea. If I may, I could cover a couple of those for the committees.

First, the child care centers that the Air Force operates are open about 70 to 100 hours per week, where the child care centers that we find in the private community are open only about 50 to 55 hours a week.

They will not accept very young infants in child care centers today. But we accept children that are 6 weeks old and up.

Most of the child care centers that you find downtown are even reluctant to accept toddlers.

Many of our young people today who are working parents must have a place close by that they can afford where they can leave their very young children. Many of our young airmen, married couples today, simply do not have anywhere to leave their children. As for the cost, we can provide the service at about 20 to 40 percent less than we think a contract child care operation would do it.

We provide drop-in care—that is, if a parent needs to stop by and just drop a child off for a few moments, or half an hour, we will do that and accommodate that. Downtown this is not so easy to do.

Our younger airmen can participate in the USDA food subsidy program, and we are able to provide meals for these children at lower rates than we would be able to do through a contractor.

We think that we maintain stricter sanitation rules in the child care centers that we operate.

We have them in many remote locations and overseas locations where we feel it may be difficult to get a contract operation.

We run at odd hours, too. We open our child care centers sometimes at midnight on Saturday night if there is an alert or a recall exercise. That may be difficult to do if you have a contract operation.

Senator THURMOND. I think you have raised some very interesting points.

I am just wondering, however, if the Government provided the land, the facilities, and so forth, whether it might be worthwhile to run a pilot program just to see which would be cheaper, on the conditions that you require. In other words, you would set out your requirements, you'd furnish the facilities, and then determine from a pilot program maybe in one or two places which is more economical. You might think about that.

General WRIGHT. Sir, based on the interest of your committee, we have asked our personnel community who manages the child care programs to explore the pros and cons of costs. We are going to look at it in some greater depth.

Senator THURMOND. How much cheaper are the rates in a military child care center than in a comparable civilian facility?

General WRIGHT. I can provide those for the record.

Senator THURMOND. Thank you.

[The information follows:]

CHILD CARE CENTERS

It is difficult to make direct comparisons between Air Force and off-base centers because few centers which operate for a profit offer the range and type of services available in Air Force programs. Few serve meals that meet United States Department of Agriculture (USDA) requirements. Most provide little or no care for infants and toddlers (this service increases operating costs). Off-base centers are not open evening or weekends and are not required to open extended hours for alerts, mobilities, and exercises. Off-base centers offer limited hourly care. Hourly care is needed by Air Force members because they can not rely on relatives for baby-sitting.

Generally, fees and charges in Air Force child care centers are 10 to 40 percent less than in civilian "for profit" centers. Care of infants runs $10 to $30 less per week, for older children, $5 to $30 less. Hourly care in Air Force centers is about half of what it is in "for profit" centers. In addition, lower income parents using Air Force centers can participate in the USDA Child Care Food Program, thereby reducing the impact of child care expenses on the family budget.

Senator THURMOND. I think my time is up.

I would call now upon the distinguished Senator from Georgia who is cochairing this hearing with me, Senator Mattingly.

Senator MATTINGLY. Thank you, Mr. Chairman.

General, I have been asking you some of the questions I am about to ask you today all week long without much information being received. So I hope to make this a complete record.

I understand that you have just completed a budget drill to bring your budgets in line with the President's deficit reduction package.

Can you give us any idea what impact this has had or will have in your fiscal year 1984 Milcon program?

General WRIGHT. Well, sir, I don't want to break the string, I guess.

Sir, I cannot give you those numbers yet because I really don't know what they are.

Obviously, we are working exercises right now to come in line with the recommendations.

They have not gone to the Defense Department. They are being worked internal to the services.

Senator MATTINGLY. Can you tell us when you might get us a revised budget?

General WRIGHT. I am told that these numbers are going to the Defense Review Board today. So I would guess, hopefully if the bureaucracy works miracles, that it would be very soon.

Senator MATTINGLY. Well, that probably will not happen.

General WRIGHT. Sir, I don't mean to be evasive.

Senator MATTINGLY. Oh, I know that. I was referring to the bureaucracy, not you, working miracles.

I just also thought, for the children in our audience, that I agree with Senator Thurmond that we have to provide for a strong national defense. But I also think that they should be aware that what we are looking at this year in the military construction bill is a 44-percent increase, roughly. This is one of the reasons why this committee and also my distinguished colleague from Tennessee are looking very closely at this budget, because it is a $3.2 billion increase. We think that probably if the Department of Defense can't scrub it, we certainly can.

I just thought I would throw that ball down to that court, too.

General WRIGHT. We appreciate that, sir, and understand it.

We will provide you the numbers that I am sure will meet your needs.

Senator MATTINGLY. Good.

Also, I would like to put into the record whatever questions I do not ask. The rest of those questions will be put into the record for you, General.

Also, I have some questions from Senator Stevens, which also will be submitted for the record.

I have a comment. When you were talking about the child care centers, you made the comment that they are also used just to drop off children, you know, for an hour or two. I think you made that comment. That is what we refer to as trying to "get a babysitter" in the private sector.

Are child care centers supposed to provide that service?

General WRIGHT. Sir, they pay for this service. It is not free.

Senator MATTINGLY. I understand that.

General WRIGHT. Many of our people are working couples. They may have to go grocery shopping or something of that nature that takes about an hour or an hour and a half. It is not a convenience. If they can find a babysitter at home, I am sure that this is what they do.

It is part of serving the total Air Force community and providing a service that we think is vital to keeping our people on board, in the Air Force.

Senator MATTINGLY. I will go to another subject, now.

General Wright, you are well aware that there is a lot of interest in the U.S. presence in Central America, and particularly in Honduras.

In the last 2 fiscal years, the Congress has approved funding for the construction of contingency facilities for the Air Force at two locations in Honduras, in Palmerola Air Base, near Comayagua, and La Ceiba.

Can you briefly describe the extent of these projects and their purpose?

General WRIGHT. Sir, at Comayagua, in the fiscal 1983 program, Congress provided $13 million to extend a runway. That work is underway right now. It is about 60 percent done. We figure that it will be completed in July of this year.

Part of that effort is funded by the Honduran Government.

In fiscal 1984, Congress provided $8 million to construct and upgrade a parallel taxiway at La Ceiba. That work is on hold right now, at the direction of Congress.

In this year's program, we have a $1.5 million request for 10 munitions storage bunkers at Comayagua.

Senator MATTINGLY. What is the justification for that project, the aircraft munitions storage?

General WRIGHT. To pre-position conventional munitions.

Senator MATTINGLY. Was it originally in the Air Force's plan not to store munitions at that location?

General WRIGHT. Sir, this is a part of the overall Defense Department plan in that region of the world. The Air Force is responding to requirements established by the Joint Chiefs of Staff.

Senator MATTINGLY. You say in response to plans. You are not referring to the original plans that we are waiting on, are you, because if you are, we certainly would like to have those?

General WRIGHT. No. sir. I am referring to responding to the Joint Chiefs of Staff, who have requested the Air Force to do this.

Senator MATTINGLY. Is the aircraft munitions storage a normal request at a contingency base, such as at those at other locations? Have we built similar things at other places?

General WRIGHT. Yes, sir.

For example, we built the colocated operating base network in Europe. Part of the construction that we do at these locations is for bunkers for conventional munitions storage.

Senator MATTINGLY. Do you have any more current information than we do that the regional plan is going to be forthcoming in May or June?

General WRIGHT. No, sir, I don't.

Senator MATTINGLY. In your opening remarks, you made mention of the fact that military members are forced to pay out of pocket for their morale, welfare, and recreation activities. I think that most people have to pay for their own recreation activities.

Why must all these types of activities be provided for military members? In other words, when is enough enough, especially since the military pay has certainly improved substantially, I think, over the last 2 years?

General WRIGHT. Recreational facilities, Mr. Chairman, are considered integral parts of the total military compensation. Given the pay raises that the military personnel have received over the past years, I think the record will show that it is still behind the inflation rate in this country today.

We feel as though recreation is vital to the morale of our people, particularly in areas where they do not have readily accessible recreational facilities.

If you go to any gymnasium on any air base in the world today, I can assure you that you will find at least two or three basketball games underway, a weight room that is very actively used as well. It keeps them on the base. It keeps them from getting into trouble downtown. It keeps them out of the barrooms and away from the undesirable areas.

Not only is it traditional, but I think it is vital to the overall well-being and morale of our people.

I don't think we should ask our young people today to have to pay to go and play basketball or to work out in a weight room or to go swimming.

Senator MATTINGLY. Well, maybe you can sell that to the Senate. And I am referring to our recreational facilities, or lack thereof in the Senate.

You mentioned also, or someone made the comment, that the people—referring to the people in the Air Force—were being hammered while national policy was being decided. The reference I think was to the accompanied tours.

General WRIGHT. That is our senior enlisted adviser?

Senator MATTINGLY. Is it the feeling somewhere out there that they are being demeaned in some way because the Congress hasn't moved?

General WRIGHT. Yes, sir.

We are forced to field a system, the ground-launched cruise missile system, in Europe, a commitment that this country made as a member nation of NATO. We have fielded that system in the United Kingdom. It is operational there and it is about to go operational in Italy later this month, as I mentioned.

People have to go there to man this system.

Senator MATTINGLY. But isn't it true that the mission is to man the missile? Isn't that correct?

General WRIGHT. The mission is to man the missile.

Senator MATTINGLY. The mission is not to man the missile and take your family.

General WRIGHT. Sir, I don't agree with that. I think the mission is to support the people who are there to support the mission.

Senator MATTINGLY. You know, one of the largest segments of the Air Force request is the $263 million to support those GLCM beddowns in Europe. And there has been a lot of concern about the family support facilities because the funding was limited.

You have already given us a country by country breakdown for that on a project by project basis.

What is the status of these country to country agreements with our allies who will have these GLCM's deployed in their countries?

General WRIGHT. Sir, in Germany, no agreement is required, based on the Status of Forces agreement in that country.

In the Netherlands, we are still working—sir, I am going to have to get into classified material here.

I think we had better go closed or I should submit this for you. I can give you a rundown on that later.

Senator MATTINGLY. I have one other question.

Because some of these sites are remote sites—this refers to the accompanied tours—having been to one of them before, wouldn't it be less expensive, and I am not talking now about Greenham Common, to the Government to send members on unaccompanied tours, rather than having to ship families, housegoods, et cetera, in addition and to have available family housing and support for those functions?

General WRIGHT. No, sir.

We have done cost analyses which show that in the long run, it is less expensive to the taxpayer to provide these facilities than to send people on short tours. If you send people on short tours, you become involved in additional training, additional movement of these people and their families to their homes when the sponsor goes overseas, you have the added cost of transportation every year as opposed to every 3 years, when you make the move with an accompanied tour status. Then, you have to consider the rotation base of the people who are going overseas. You cause pertubation in the rotation base of the personnel who are moving to man the systems overseas.

Any time we can go to a stable tour length, it is much easier to support, less expensive, and, of course, the morale factor, an intangible cost factor, is very significant.

Senator MATTINGLY. Would you please provide the study you spoke of to the committee.

General WRIGHT. Yes, sir.

I certainly will.

Senator MATTINGLY. Thank you, General.

My time is up.

Thank you, Mr. Chairman.

Senator THURMOND. The distinguished Senator from New Mexico, Senator Bingaman, is recognized.

Senator BINGAMAN. Thank you, Mr. Chairman.

Let me just ask this question to get some basic information.

What percentage increase is the Air Force asking for military construction this year? Do you have that figure?

General WRIGHT. Yes, sir.

If we are measuring against what we requested last year——

Senator BINGAMAN. No. I would like a measurement against what you got last year.

General WRIGHT. If you compare it to what we got last year, it is about a 45-percent increase.

Senator **Bingaman**. What was the percentage increase that you received last year from what you got the previous year?

General **Wright**. It was essentially the same from 1983 to 1984.

Senator **Bingaman**. There was no increase?

General **Wright**. No, sir.

I will verify that, but I am sure it is close.

Senator **Bingaman**. Was that because you did not request much of an increase?

What was the percent you requested last year?

General **Wright**. Well, sir, this gets kind of complicated. I will try to explain it.

Last year, we were provided additional authorization to submit projects that could be funded from dollars that were generated as a result of the very favorable bidding climate that we experienced through 1982 and 1983, as a result of the economic conditions.

The Air Force—I say the Air Force, but I suspect it was the entire economy—experienced very favorable bids. We were getting bids on our construction projects that were ranging 25-percent below the estimate.

So, dollars were accumulated in that sense, and we were able to fund additional projects last year.

Now, if you count those projects, I suspect the numbers change a little bit.

I would like to give you for the record an exact profile of that, if you would like.

[The information follows:]

COMPARISON OF AIR FORCE REQUESTS

In FY 1983 and FY 1984 in addition to the specific amount appropriated for Air Force Military Construction, Congress made provisions for accomplishment of additional projects from savings. Comparison is as follows:

[Dollars in millions]

	Amount appropriated	Additional projects approved for savings accomplishment	Total projects approved	Percent of increase
Fiscal year 1983	$1,551	$73	$1,624	
Fiscal year 1984	1,502	197	1,699	5
Fiscal year 1985 Air Force request			2,165	27

The actual growth in terms of total cost of projects requested by the Air Force in FY 1985 versus amount approved by Congress for projects in FY 1984 is 27%.

Senator **Bingaman**. OK.

The issue I am trying to get to is this, though I do not want to spend a lot of time on it.

It seems as though a 45-percent increase is a substantial increase. Is it that we have not been asking for the kinds of increases that we should have been asking for in the last few years? Is that why we are forced to ask for 45 percent more this year? Or, has the

Congress been dropping the ball? Who has been dropping the ball for us to be faced with this kind of increase?

General **Wright**. Sir, I think it is probably a combination of all of the above. We have a backlog in the Air Force today of some $7 billion, over $7 billion, of modernization. As Colonel DeMartino mentioned in his briefing and I mentioned in my statement, most of our facilities were constructed in the World War II timeframe, that is, between World War II and the early sixties. A lot of the buildings were temporary buildings. Many of the things that were constructed during World War II were built to last about 25 years. We are living with a lot of those today.

Senator **Bingaman**. Let me go on to another issue, please. If you would like to provide more information for the record, I would be happy to receive it.

General **Wright**. I will, sir.

That 45-percent growth does stand or jump right out at you. But there are some very valid reasons supporting that. The large national programs, the ground launched cruise missile, the air launched cruise missile, these weapons systems support programs and take dollars away from our modernization.

I would like to give you a profile of that.

Senator **Bingaman**. Thank you.

I would appreciate it.

[The information referred to follows:]

COMPARISON OF PROGRAM CONTENT, FISCAL YEAR 1984 VERSUS FISCAL YEAR 1985

The Air Force program is expressed in terms of four major categories as follows:

Systems acquisition: Projects to support aircraft beddowns, space and missile systems, and procurement of new electronic or other equipment.

Readiness: Projects to support deployment to Southwest Asia, and fuel, munitions, pavements, and shelters to support forces in Europe and the Pacific.

Quality of life: Includes upgrading and replacing (dormitories, community and medical) facilities in support of quality of life of our people.

Upgrade the workplace: Upgrading and replacing facilities in which people work. This will increase productivity, effectiveness and morale.

Design: Provides funds for design of the construction program.

A comparison of these categories for FY 1984 and FY 1985 is as follows:

[In millions of dollars]

Fiscal year	1984 approved by Congress	Fiscal year 1985 request	Increase
Systems acquisition	$519	$713	+194
Readiness	175	188	+7
Quality of life	350	499	+149
Upgrade the workplace	499	580	+181
Design	156	185	+29
Total	1,699	2,165	

The increase in Systems Acquisition is due primarily to a $90 million increase in B1-B and an $82 million increase in Peacekeeper over the FY 1984 approved program. The Quality of Life increase is due primarily to the Travis Hospital for $201 million. Upgrade the Workplace and Quality of Life category increases are requested in order to make some progress in reducing our $7-$8 billion backlog of these type of facilities.

Senator BINGAMAN. Let me ask about the antisatellite system that you describe in your testimony.

You indicate that you want to have money appropriated for the facility at Langley and two U.S. bases scheduled to receive the antisatellite system.

I guess I am concerned that here in the Congress, we are working on the assumption that the full-scale activity leading to this antisatellite system is still not going forward. We have the Tsongas amendment which calls on the administration to come back and certify to us that they cannot do anything in the way of arms control in this area, and such things.

Your request to us seems to assume that nothing can be done, other than just to go ahead and develop this.

Is that your position.

General WRIGHT. Sir, our request this year, of course, is for one-half of the system. The other half is on the west coast at McChord Air Force Base, and this will be constructed later if the complete system goes.

Our instructions have been to provide facilities required to support the antisatellite system. This is storage for the weapon and facilities to control it.

Senator BINGAMAN. Who gives you those instructions?

General WRIGHT. This is the Defense Department.

Now, I am sure they have done this, well recognizing the Tsongas amendment and other political implications. But there will come a time when they will either give me the green light to go or no go. But to keep the program on the schedule that the DOD has established, we must get on with the design and construction of the facilities.

Before we begin construction, I am sure that the requirements of the Tsongas amendment will be met by the administration. But I have to have lead-time in order to be prepared to field the system if the decision is made to press on.

Senator BINGAMAN. I am just concerned that we are being asked to vote the funds to build the facilities for the system before we get a response from the administration on whether the system has to be developed.

General WRIGHT. Sir, I might suggest that you may want to put language in there that would cause us to have to do that before we proceeded with this project.

Senator BINGAMAN. Why don't we think about that. I think that may be an excellent suggestion.

Let me ask about the collocated operating bases that you referred to. As I understand it, those were essentially funds that we are appropriating for bases that really belong to another country but which we are able to use.

Is that a reasonable statement?

General WRIGHT. That is a very good description, yes, sir.

Senator BINGAMEN. Is that what we have at Palmerola?

General WRIGHT. No, sir.

Collocated operating bases in Europe are provided by agreement within the NATO community.

Senator **Bingaman**. How does what we have at Palmerola differ from what we are being asked to fund in the European Community?

General **Wright**. Well, the collocated operating bases in Europe are partially funded by the NATO infrastructure program, which is another source of dollars, or of funds. There is no comparable funding.

Senator **Bingaman**. As you indicated, Honduras is going to partly fund the construction at Palmerola.

General **Wright**. You have raised a good question, quite frankly. I don't know how I could differentiate that as a collocated operating base or how I could say it is one. It perhaps could be considered neither fish nor fowl. It is an air base that could be used by the United States in the event that it was needed in that part of the world, and I believe that the Honduran Air Force will use it itself. Or maybe we have discovered a new collocated operating base.

Senator **Bingaman**. We essentially have appropriated funds which are now being used to construct a permanent facility from the Honduran point of view to which we have access, if we need to use it.

General **Wright**. Yes, sir.

Senator **Bingaman**. That would be your description of Palmerola?

General **Wright**. Yes, sir. That's true.

Senator **Bingaman**. Let me ask you this question.

What are we going to build in Morocco? There was something in the briefing about Morocco.

General **Wright**. This is a fuel storage and transport system that enables us to store aircraft fuel to be used in the event that we have to use the airfields in Morocco in transience between this country and the Middle East or Southwest Asia.

It is strictly a fuel-handling and storage facility.

Senator **Bingaman**. Thank you.

We are being asked to appropriate substantial money for construction in Germany and Japan, as two examples, and I gather that we have agreements with those countries as to the extent of their help in building facilities that we use in their homelands.

In your view, are they living up to those agreements? Are they providing their part of the resources required to build these facilities and house the things that we are stationing there?

General **Wright**. Yes, sir, I believe so.

In Japan, this year, in the Japanese fiscal year 1984 program, they include about $285 million for construction of facilities to support U.S. Air Force activities in Japan and on the island of Okinawa, which is a part of Japan.

In Europe, we get support in varying ways, through the NATO infrastructure program, primarily, as a part of the overall NATO agreement. It is not a direct contribution such as we have in Japan.

We have had contributions from the Korean Government to help move in and establish a wing of A-10 aircraft at Suwon, Korea.

Senator **Bingaman**. Mr. Chairman, my time is up, I believe.

I would just ask this. When we had the subcommittee hearing with the Army, they had a line item which they called, I believe, "strategic facilites." Do we have something similar here?

I had asked to try to get what information we could on those items in the Army's budget. If we have a similar category here, I would also like to know what they are here.

Senator **THURMOND**. You do have some classified programs, didn't you?

General **WRIGHT**. Yes, sir. But I think the gentleman is referring maybe to strategic facilities in the sense of supporting Strategic Air Command, possibly.

I will have to ask the Army. I don't really know what you are referring to.

Senator **BINGAMAN**. Well, I am not sure. They put up a map of the world, and then, on the other slide, they put up the phrase, "strategic facilities." It concerned me that we needed a little more information.

General **WRIGHT**. I would agree.

Senator **BINGAMAN**. If there is any such catch-all category for you folks, I sure would like to know what is in it.

I thank you very much.

Senator **THURMOND**. General, if you would look into that for the Senator, we would appreciate it.

General **WRIGHT**. Yes, sir.

Senator **THURMOND**. The distinguished Senator from Mississippi, Senator Stennis, is recognized.

Senator **STENNIS**. Thank you, Mr. Chairman.

Gentlemen, I will be very brief.

I want to direct your attention to the electronic training facility at Keesler Field Air Force Base.

It is said by many to be unequalled anywhere in the world in the training you turn out there. I know personally of the innovations that you have there in types of training, moving forward faster and more thoroughly.

In 1979, Mr. Chairman, they asked for and were given authority to make it the training center for computers, top level work in that area.

You had the authorization bill last year, but there was some delay in the completion of the planning.

Now, I don't know which one of you to address this question to, gentlemen, but it might be General Wright.

General **WRIGHT**. Yes, sir. I believe I can answer your queston, Senator.

Senator **STENNIS**. May I ask you to give us the status of that now. I know that the Air Force wants it, part of the Air Force at least. It seems to me that it is needed and you must have it. I am surprised that you did not have it earlier.

Isn't it ready now to move forward? Do you have some money that you have not yet used up because some of the bids were better than you had expected?

General **WRIGHT**. Yes, sir. That is part of the saving that I was talking about.

Senator **STENNIS**. Yes. You referred to it a minute ago.

I really hope you have it planned. You know, there are others interested in this and not just me. I hope your plans are to allocate that money for that purpose, within a few days. Let's go forward on the matter or else see just what is the matter.

General WRIGHT. We have a request now coming to the Congress. This project is among a list of other projects that we would like the authority to move out on, and as soon as we get that reprogramming action approved by the Congress on that project, we are prepared to advertise it for bids.

Senator STENNIS. That's fine.

Do you have your request for that allocation, for the money, pending now before the Congress?

General WRIGHT. It is either here or en route. The paper has been signed out of my office.

Senator STENNIS. Well, I am not trying to push you, but I don't know what "en route" means because I have been waiting "en route" for a long time for this.

Now I know you have been working on it and moving it along. Do you personally know that it is greatly needed?

General WRIGHT. Yes, sir, it is. It is a part of the computer training complex at Keesler. It is a good project. The Air Force fully supports it, and we are prepared to advertise that next month.

Senator STENNIS. When?

General WRIGHT. Next month. It will go through the normal competitive advertising process.

Senator STENNIS. That's good.

I know that sometimes a man in office has to promise to do a thing within a few days. Now that's a little vague, but you really have one here now that you think within just a few days, maybe a week, you are going to have the request before the Congress?

General WRIGHT. Sir, it is a reprogramming request that has to come in here. I will find out just exactly where it is.

Senator STENNIS. As a matter of fact, it has been approved by the committee of the House, the project as a whole, I mean, hasn't it.

General WRIGHT. Yes, sir, the project is authorized.

Senator STENNIS. Authorized by law.

General WRIGHT. Sir, I am told that the request is here at the Senate.

Senator STENNIS. All right. If you will tell me what room to go to, I will stop by there on my way to my office.

We are going to run this one down, Mr. Chairman. [General laughter.]

General WRIGHT. You may want to go and see Mr. Pierce, Senator.

Senator STENNIS. All right. You say, seriously, that you think this money is pending here now before the Congress.

General WRIGHT. Yes, sir.

But Mr. Pierce now tells me that you should see Mr. Smith.

Senator STENNIS. And you are going to move it out within a month if you get approval here?

General WRIGHT. As soon as we can get it, and in the time it takes to advertise the project and get it awarded.

Senator STENNIS. All right. I thank you and I thank the chairman.

That is all I have, Mr. Chairman.

Senator **Thurmond**. I will now ask Senator Exon if he has any questions.

Senator **Exon**. I do not believe my colleague, Senator Sasser, has had a chance to ask his questions yet. I will be happy to wait until later, if that is all right with you.

Senator **Thurmond**. Very well.

Senator Sasser?

Senator **Sasser**. Thank you very much, Mr. Chairman.

General Wright, let me take you back to a statement you made a moment ago, or a few minutes ago, to Senator Mattingly.

You said that this air field, the Palmerola Air Base, in Comayagua was a joint effort funded with the Honduran Government. How long is that air strip going to be?

General **Wright**. I believe the total air field, the air strip, will be 8,000 feet.

Senator **Sasser**. Well, there is a dispatch that was filed in the Philadelphia Enquirer dated March 20, 1984, which says, "U.S. military headquarters in Honduras is at Palmerola, where the United States is improving and lengthening the runway to a reported 13,000 feet, long enough to handle any warplane in the U.S. arsenal, and much longer than needed by the warplanes of Honduras' small air force.

"The paved air strip is so large that one critic suggested it could be used as an emergency landing site for a space shuttle."

Is this dispatch in error?

General **Wright**. Yes, sir.

Senator **Sasser**. So it is 8,000 feet and not 13,000 feet?

General **Wright**. That's right.

Senator **Sasser**. All right.

Now, as I understand it, the Honduran contribution to this effort is of the 8,000 feet, they are going to fund a 500-foot portion. Is that correct?

General **Wright**. They are going to fund 600 meters, which would be about 1,800 feet, as I recall.

Senator **Sasser**. Oh, 1,800 feet. And they are supposed to provide $1.5 million for that?

General **Wright**. Yes, sir.

They have funded $750,000 to date and will fund the balance as the work is ready to go at that point.

Senator **Sasser**. Who is doing the work—our U.S. engineers?

Senator **Wright**. It is a civilian contract, sir.

Senator **Sasser**. I see.

Now, when the Air Force came before the Congress in 1983 requesting funding for the Palmerola Air Field, at that time we were told that munitions would be flown in to that location, if necessary to meet a contingency. Now we are coming back and saying that we are going to change our plan there and are going to build an ammunition storage facility at Palmerola.

I believe you told Mr. Mattingly that that is part of the overall plan for Central America.

When did it become part of the plan to put a permanent munitions storage facility at Palmerola and to change our original plan to fly in the munitions?

General **Wright**. I cannot answer that question. I don't know when that was changed.

Senator **Sasser**. Well, Palmerola would be about 2 hours by subsonic aircraft from Key West Naval Station, would it not?

General **Wright**. I assume that that is close.

Senator **Sasser**. Aren't there air stations much closer than that from Panama? I am just curious as to why we just could not fly in the munitions rather than building a storage facility there.

What kind of munitions will be put into this storage facility?

General **Wright**. Conventional munitions, gravity bombs, air to ground munitions.

Senator **Sasser**. Rockets and that sort of thing?

Senator **Wright**. Yes, sir, I would imagine air to ground rockets.

Senator **Sasser**. Now, General Wright, the Army was before us I believe the day before yesterday. They requested $4.3 million for contingency facility to be built at the Palmerola Air Base, and a portion of this contingency facility to be built would be relocatable buildings.

Now, the Army had requested military construction funds for this particular project, even though it would consist of these relocatables.

Now, when I was in Honduras, I visited a very elaborate radar installation there at Cerro La Mole which was manned by U.S. Air Force personnel. Now, they had knocked off the top of a hill there to put in this radar installation at a height, I think on a mountain, of about 4,000 or 4,500 feet. It was a permanent site, according to the U.S. Ambassador there and according to representatives from the Southern Command.

I was told that U.S. Air Force personnel will man this site for a total of 2 years and that at the conclusion of that 2 years it would be turned over to the Honduran armed services.

Now, at Cerro La Mole, there were a number of relocatable structures which had been built by an Air Force Red Horse Team. I have reviewed the financing of Cerro La Mole and have learned that the Department of Defense obligated a total of $4 million out of O&M funds in fiscal years 1983 and 1984 for the construction and operation of this radar facility. My question is why is the Army requesting construction funds for relocatables to the regular military construction appropriation and the Air Force, on the other hand, in the case of Cerro La Mole, essentially has circumvented the regular military construction process and built it out of O&M funds.

What is the difference?

General **Wright**. Well, I don't know. I am unaware that the Air Force built a radar site using that much money. I will have to research that.

I simply cannot answer that question.

Senator **Sasser**. General Wright, would you be kind enough to do a little bit of research on that or ask your staff to do so and give us a report. My research indicates that $4.3 million was spent to build that—well, not $4.3 million, but $4 million was taken out of O&M funds to construct this facility at Cerro La Mole.

If we are incorrect or if our research is inaccurate on that, I would appreciate very much your bringing us up to date on that subject.

General **Wright**. I will do that, sir, because I am unaware of that amount of money being spent for construction of anything down there out of O&M account.

Senator **Sasser**. I will say to you that that is a very elaborate construction process. This is a tall mountain, and if I am not mistaken, it is 4,000 or 4,500 feet. It towers up so that you can look over into Nicaragua from this site. They had come in with bulldozers and lopped off the top of the mountain, built a road up to the radar site. Up at the top of the site was fairly extensive construction of buildings that could be classified as relocatables, and there was a lot of personnel up there. I can easily see how they could have spent $4 million in doing the thing.

I would appreciate your attention to my question, General.

General **Wright**. Yes, sir.

Senator **Sasser**. General, the House committee has reported that the Air Force does not have enough time to test the MX missile in order to meet the initial operating capability.

In view of this, why should Congress go ahead and approve the construction request this year for the MX? Why not wait until the Air Force has met the initial operating capability?

General **Wright**. Sir, I think that we discussed at length yesterday in a hearing before the House Appropriations Committee the details of the S&I report.

The Air Force takes exception to many of the statements in the report and is currently in the process of preparing a document that would come back and answer those questions.

Senator **Sasser**. Let me take you back for just a minute to Honduras.

Are you familiar with the relocatables that will be constructed there or that have been constructed by the Army or the Air Force?

General **Wright**. Sir, I have seen photographs. I have not been to Honduras, but I have seen photographs of the barracks that the Army, I think, has put up down there.

Senator **Sasser**. And these are the Central American tropical buildings?

General **Wright**. They are wood frame buildings, with screens and no windows, maybe a tin roof, I am not sure.

Senator **Sasser**. Right.

Now, we were told there, I was told by some Army engineers, that, given minimum maintenance, these barracks or structures would last for 10 years. Do you have any reason to disagree with that?

General **Wright**. Well, I don't know. I suppose a wood frame building could last for quite a while if you took proper care of it, kept it painted and termite free, and kept the bugs out of it.

It is hard to tell. As I said earlier today, we are living in some buildings that were built in World War II.

Senator **Sasser**. Oh, absolutely. We have them in my State, at Fort Campbell, KY, and in Oak Ridge, TN. Some of those old World War II temporaries have outlasted permanents that came along about 10 years later. They have deteriorated, but the old

World War II buildings are still there and the permanents are gone.

General **Wright**. I think probably the biggest thing you would have to contend with in that part of the world is climate. The humidity would be a problem, for example.

Senator **Sasser**. I don't mean to pin you to the wall, General, but you would not disagree with your colleagues from the Army engineers down there who said they would last for 10 years if properly maintained?

General **Wright**. I would have to look at the situation, sir. I cannot say they would not last 10 years.

Senator **Sasser**. General, you ought to go into politics. You'd do well on "Meet the Press." [General laughter.]

Now, but the budget for overseas construction reflects a 47 percent increase for fiscal year 1984. The request for construction inside the United States increases at only 30 percent, as compared to a 57 percent increase overall.

Why is the overseas construction increasing at such a rapid rate?

General **Wright**. Sir, this year we have a tremendous amount of construction required for the ground launched cruise missile system. We are in the process of basing an F-16 unit in Japan, at Misawa. We still have dollars for the Turkey base improvement program, some support for the CENTCOM, the Central Command, chemical warfare protection, which we think is vital to provide on our key mission operating and maintenance facilities in Europe, some medical support.

I think, simply to answer your question, Europe probably drives the overseas number this year with the ground launched cruise missile.

Senator **Sasser**. Thank you, General.

My time is up, Mr. Chairman. I have some additional questions which I would like to submit for the record, and I would request a response.

Thank you.

Senator **Thurmond**. That would be fine. We are very glad to have you with us.

Senator **Sasser**. Thank you, Mr. Chairman.

Senator **Thurmond**. The distinguished Senator from Nebraska, Senator Exon, a member of this committee and subcommittee, is recognized.

Senator **Exon**. Mr. Chairman, thank you very much.

Gentlemen, we appreciate very much your coming here this morning.

Let me get into the questions that I have.

I will let any one of you, or all of you, respond to my questions, whoever among you, you think would be most qualified.

Let me begin with this basic question. Is it not true that we are on a course of air facilities construction in Honduras that are difficult to describe as anything less than permanent, or, at a minimum, long-term facilities?

General **Wright**. Sir, when you build an airfield, which Congress has authorized us to build, you have to build it permanent. There is no such thing as a semipermanent one, unless you build it out of aluminum planking or, if you will remember, the old PSP steel planking that we built airfields out of in World War II.

Senator EXON. I was there, General.

General WRIGHT. I recognize that, sir.

When you talk about construction and permanence, you have to look at each specific item that you are addressing in the program.

It would be difficult to build an airfield any other way than the methods that we are using today.

Senator EXON. What methods are we using today?

General WRIGHT. Well, in this case, we are using the commonly accepted construction method of basecourse, with an asphalt wearing surface similar to many airfields that you see in this country and elsewhere in the world.

Senator EXON. Assuming that this is an accurate description of what we are doing there, General, why should we be adding to the facilities that are already established there—just so that we can land some aircraft that take longer strips, is that the answer?

General WRIGHT. Yes, sir.

Senator EXON. All right, let me try this another way.

How would you, as Air Force officers, respond to the charge that the United States is posturing itself for an unlimited military presence in Honduras?

That question has been asked and that charge has been made frequently.

General WRIGHT. Sir, I would simply state that I think it is necessary to consider the overall situation which we see in that part of the world.

Again, it is hard to differentiate, as we were discussing earlier, with the wood-frame buildings, between what is permanent and what is not permanent. To do certain things as an airfield, you have to have construction that may last a long time. Why, a wood-frame building could last 5, 10, or more years, depending on the maintenance and repairs that you accomplish on the building.

It is hard to clearly define what you mean or what is meant by "permanent."

Senator EXON. Well, let me help you define it.

I suspect that you are familiar with the sweep of American and other allied forces in the South Pacific.

Now I am not familiar with the makeup of the land down there, but, for example, in the Southwest Pacific, particularly, we were able to construct excellent airstrips of unlimited length on coral. They are very, very simple.

I presume that that is not the case in that area now, and I would grant that.

Now, let us get into the stationing of troops. Since I was down there for 2 years and was in the whole area from Australia to Japan, during that 2-year period, I do not remember us pouring concrete. Believe it or not, troops lived in tents. Sometimes we had floors made out of plywood in those tents, but there was nothing akin to any temporary facility that we build on most of those installations. However, General MacArthur I remember, built a pretty palatial place on top of a mountain in Hollandia, New Guinea. But, other than those kinds of things, there was nothing permanent. We did not intend to be there that long, and therefore we did not pour a lot of concrete.

While I would grant that modern-day aircraft require better landing facilities and steel mats, I just wish we could get at least what I feel is an honest answer as to what our plans are.

I, at least, am beginning to become more convinced that we are planning not for a few months or for a year and a half. I am convinced that we are on a plan to have a significant military presence in Honduras, for a long, long time.

Now I am not arguing whether that is right or wrong, and that is not a decision for you to make. But I am asking questions which I think the Congress should know and the American people should know as to just what exactly our plans are.

Are you here testifying today that in your best judgment our facilities down there are temporary, and if they are temporary, are they temporary in the guise of a few weeks, a few months, or a few years?

General **WRIGHT**. Sir, I am here to testify for construction that I have been asked to submit to the Congress, in the Air Force program, that will support the Air Force.

Senator **THURMOND**. Let me interject something here.

Are you qualified and are you here to testify on policy with respect to Honduras, or are you here on military construction only?

General **WRIGHT**. I was just going to get to that point, Mr. Chairman.

I am not here to address the policy issues.

Senator **THURMOND**. Would you be authorized to speak as to policy?

General **WRIGHT**. No, sir.

Senator **THURMOND**. I think that answers the question.

Senator **EXON**. No, it does not answer the question. I would like to have you proceed.

Senator **THURMOND**. He can answer so far as military construction is concerned, but I am not going to demand that he answer as to the policy of this Government toward Honduras unless he is qualified to do so and has authority to do so.

Senator **EXON**. Mr. Chairman, as a member of this committee and as a member of this subcommittee, and speaking, I think, for what are the majority of Members of the U.S. Senate, I think we are entitled to know, if we are going to recommend authorization for construction of facilities, whether the requested authorization is enough or too much money to provide the needs of the mission that has been described to us. That is what I am trying to get at.

I believe that the chairman would concede that my questions are designed, essentially, to get at the question as to whether or not the Air Force has enough money to do the job that we are told you are supposed to do.

Maybe I can rephrase my question.

When you design these facilities, General, you must have some timeframe in which these are expected to be in use. Do you or do you not?

General **WRIGHT**. No, sir.

As I said earlier, the kind of facilities that the Air Force has in the program are such that you cannot build an airfield to last a week, 2 weeks, a month, or a year. You build an airfield to support the airplanes that are going to operate off of it.

I cannot say that the airfield is temporary or semipermanent or permanent.

Senator EXON. If you cannot answer the question about the airfiled, can you answer that question with regard to the adjacent facilities thereto?

General WRIGHT. Well, we are not building any adjacent facilities in the Air Force program.

Senator EXON. What about the other programs? Are you familiar with the other programs that are going on?

General WRIGHT. No, sir; I am not.

Senator EXON. All right. Let me go on to another subject. I think I am not going to get very far on that one.

In the construction program, there is $42 million being requested for military construction at Clark Air Force Base in the Philippines, another place where I was for an extended period of time.

How great a danger is there, or are we considering this, that if we would go ahead and spend this money, how long are we actually to have use of that base with the upcoming Philippine elections? There is some indication over there that they may not want us to proceed any further than we already are on Clark Field. That may be a policy question.

I suppose that would be your answer.

You have been asked to construct it, and this is the amount of money you would need for that purpose, is that essentially it?

General WRIGHT. That's right.

Senator EXON. Where are we in the facilities that I think we are very much concerned about and very supportive of in other parts of the world? I am thinking particularly about Air Force requests for $30.4 million for unaccompanied enlisted personnel housing at Osan Base in Korea. The Army is also asking for some additional barracks in Korea.

This is a very significant amount that requires some detailed explanation. Can you give us some more detail on the Air Force needs in Korea?

General WRIGHT. Yes, sir.

We are attempting to upgrade the dormitories in which our people live in Korea. We have been living in buildings there for many, many years that were quonset huts, metal-sided buildings that leak, that are beyond any economical repair.

We have a major effort underway to improve the living conditions of our people at the air bases in Korea, and that is why you see this year, as last year, as was approved by the Congress, a sizable appropriation to enable us to continue that program.

Senator EXON. Well, I support that program and I will support this one. The point here is, as far as this one Senator is concerned, a long time ago we sent a clear signal that we desired to establish a long-term military presence that we thought was in our national security interest in Korea.

I would just say in closing, Mr. Chairman, that if we are going to do likewise in Honduras, I wish it were more clearly defined and explained to the Congress than I think it has been thus far.

Gentlemen, thank you.

General **Wright**. Thank you, sir.

Senator **Thurmond**. Senator, I want to make it plain that I have no objection to any step you take to ascertain the policy. But if this gentleman is not authorized to speak on it, I think it would be unfair to ask that he do so.

Senator **Exon**. I would agree with you completely, Mr. Chairman.

Senator **Thurmond**. Is there anything else, General, that you would wish to present to us today?

General **Wright**. No, sir.

I hope we satisfactorily have answered the questions of the committee. We have done so to the best of our ability. We appreciate the opportunity to testify before the committee this year.

Senator **Thurmond**. We have a good many questions for the record that will be submitted to you.

Senator Exon, if you have any questions to submit, we would be happy to accept those.

Senator **Exon**. I have no further questions.

Senator **Thurmond**. If you or any other member of the subcommittee has any questions for the record, they would be authorized to turn those questions over to our counsel, Mr. Smith, for submission, and they will be answered for the record.

[Questions with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR STROM THURMOND

CONSTRUCTION MANAGER

Senator **Thurmond**. You had proposed to use some innovative contracting techniques on a trial basis to see if you could save some money. If I understand your proposal, you were going to hire a private firm with construction management capability and turn over to him the responsibility to contract for and administer a block of projects. I am told you have run into difficulty with this proposal, why?

Answer. Under the present laws, construction management services can only be acquired through source selection procedures. While these procedures are well suited to the procurement of complex weapons systems, they are not well suited for acquiring professional services. The most efficient approach is to use architect-engineer selection methods. However, we would need legislative authority to pursue this approach.

Senator **Thurmond**. What legislative authority would you need to be able to pursue this approach?

Answer. The Air Force will request authority to utilize architect engineer selection procedures in acquiring construction management services. The following general provision is proposed.

Section 8XX.—The Secretaries of the Military Departments with the approval of the Secretary of Defense are authorized to enter into construction contracts, for military construction projects authorized to be accomplished by this Act, using either turnkey competitive negotiation methods or construction management techniques consistent with 10 USC 2855.

The following report language is also proposed.

The Congress has long insisted that the Department award construction contracts to the lowest bidder based on detailed plans and specifications. In some cases, there may be advantages in awarding contracts for selected projects under other construction contracting methods used in the private sector. Accordingly, a provision is included in this Act which will allow the award of construction contracts on a test basis using either turnkey competitive negotiation methods (commonly called one-step) or construction management techniques consistent with 10 USC 2855. The committee expects the Department to restrict the use of this authority to a limited number of projects. The Department, within two years following enactment of this Act, shall submit a report on the results of such tests to the Committee on Armed Services of the Senate and the House of Representatives. The report shall include recommendations for any legislative changes necessary to implement improvements to contracting procedures for military construction projects.

THIRD PARTY CONTRACTING

Senator **THURMOND**. You are in the process of advertising two large power plant jobs, using the "third party" concept whereby the successful contractor would build the power plant at his own cost and operate the plant, with the Air Force reimbursing the contractor through purchase of the utility over the life of the power plant. Can you give us a status report on where these contracts stand and provide additional details for the record?

ANSWER. The Request for Proposals for the Chanute Central Heating Plant is being advertised, with the bid opening 10 May 1984. At that time, the proposals will be evaluated from a technical and pricing point of view. The pricing information of the successful low bidder will be compared with the Government's cost of providing the same service. If a long term, 30 year contract, can not be obtained, or if the Government operation is more advantageous, the Air Force will continue on with the Military Construction Program (MCP) line item. The MCP line item is 90% designed and almost ready to be advertised. A Request for Proposal for the K.I. Sawyer Central Heating Plant project is now being prepared, and will be ready to be advertised July 1, 1984. After proposals are received, a similar evaluation process will take place as discussed above for Chanute. If a long term contract can be obtained, the MCP line item. The MCP line item is 100% designed and ready to be advertised.

Senator **THURMOND**. Are you able to give us any judgment as to the viability of the "third party" concept?

ANSWER. Considerable interest has been generated in the private sector by our initial thrust into the third party arena of Chanute AFB in Illinois. Twenty six firms participated in a pre-proposal conference at Chanute AFB on Feb. 27, 1984. Based on this interest, the Air Force has been encouraged to press on with this new approach to lessen the impact on Military Construction dollars.

SPACE SHUTTLE

Senator **THURMOND**. How much construction money has gone into the space shuttle facilities to support your operation at Vandenberg Air Force Base?

ANSWER. This question was answered during the hearing starting at line 2, page 24.

Senator **THURMOND**. Are you going to be ready with necessary facilities to meet the current launch schedule from Vandenberg?

ANSWER. This question was answered during the hearing starting at line 6, page 24.

Senator **THURMOND**. In 1983 you completed construction of a solid rocket booster refurbishment facility, at a cost of $23 million, to process booster rockets launched from Vandenberg. However, the facility has not been activated because, I am told, the Air Force now believes the launch rate is insufficient to justify the cost of fully using it and you intend to use facilities at Kennedy Space Center. What was the basis for the Air Force decision to construct a solid rocket booster processing facility at Vandenberg Air Force Base?

ANSWER. The answer provided to this question during the hearing was incomplete. A more complete answer follows. The basis for the Air Force decision to construct a solid rocket booster processing facility at Vandenberg AFB was the requirement to have the capability to launch 10 to 12 Shuttle missions per year from Vandenberg. The early years of the current mission mode (FY 86–89) now only require the capability to launch four missions per year. Additionally, we have projected the requirement to increase to no more than eight launches per year into the 1990s. The changes in the outyear mission model, coupled with the low flight rate in the near term, mean that fully activating the solid rocket booster processing facility is not cost effective.

The original plan for use of the solid rocket booster facility at Vandenberg was as follows: the sold rocket boosters would be retrieved from the Pacific Ocean after use on Shuttle flights from Vandenberg and refurbished for additional flights. The refurbishment would take place at two sites. The segments that contain propellant would be sent to Utah for refurbishment and loading of propellant, while the forward segments and at skirt would be processed through the Vandenberg solid rocket booster facility. The forward segments consist of the nose cap, parachutes, flotation system, avionics, gyro assemblies, and range safety systems. The aft skirt provides support for the entire Space Shuttle (4.5 million pounds while on the launch pad.

Now we have found that because of the low launch rate, it is more cost effective to ship the forward segments and aft skirts to Kennedy Space Center (having one facility versus two) for refurbishment and subsequent shipment back to Vandenberg. Estimated savings through fiscal year 1984 by following this plan is $140 million.

It must be pointed out that we intend to use and must have the solid rocket booster facility to process and store solid rocket boosters upon return of the segments from Utah and Kennedy.

Senator THURMOND. What was the basis for the Air Force decision to not fully use the solid rocket booster processing facility at Vandenberg Air Force Base?

ANSWER. The basis for the Air Force decision to not fully use the solid rocket booster processing facility was an Activation Optimization study approved by SECAF in March 1982. The early years of the current mission model (fiscal year 1986–89) now only require the capability to launch four missions per year. Additionally, we project the requirement to increase to no more than eight launches per year in the 1990s. These changes in the outyear mission model, coupled with the low flight rate in the near term, mean that fully activating the SRB facility is not cost effective.

Senator THURMOND. To what extent has the Air Force examined the possibility of using the Vandenberg facility to process some of the NASA work load? Would anything preclude such as arrangement?

ANSWER. As a result of a recommendation contained in a draft GAO report entitled, "NASA and DOD Should Evaluate Using Air Force's Existing Facility before NASA Constructs a Facility at Kennedy," a joint DOD/NASA team examined the possibility of using the Vandenberg facility to process some of the NASA work load. The study team consisted of DOD, Headquarters Air Force, Vandenberg AFB, Headquarters NASA, Marshall Space Flight Center, and Kennedy Space Flight Center personnel. The team determined that activating and operating both the Vandenberg and Kenndy solid rocket processing facilities would cost $140 million more (through fiscal year 1994) than constructing and operating a single facility at Kennedy Space Center capable of processing 24 sets of hardware per year. Only by providing the $140 million of additional funding through fiscal year 1994 could we use the Vandenberg facility to process some of the NASA work load.

Senator THURMOND. What is the current estimated cost to fully activate the Vandenberg processing facilities?

ANSWER. The solid rocket booster facility at Vandenberg cost $23 million to construct and $9 million to equip. To fully activate the Vandenberg solid rocket booster processing facilities to process forward segments and aft skirts would cost an additional $34.6 million in nonrecurring, of which $4.3 million would be MILCON. The remaining $30.3 million would be procurement funds required to activate facilities where construction is complete. Also, $209.5 million in recurring would be required, over and above current funding, for manpower and spares (through fiscal year 1994) to operate this facility.

Senator THURMOND. What would be the advantages of activating the facility at Vandenberg?

ANSWER. The building will be fully activated as far as processing and storage are concerned. Due to the low flight rates from Vandenberg any apparent advantages of further activating the portion of the building for forward segments and aft skirt processing would be outweighed by the added costs.

Senator THURMOND. If the Vandenberg facility is not fully activated, what will the Air Force do with the unused portion?

ANSWER. The solid rocket booster facility is required to process and store solid rocket boosters upon return of all segments from Utah and Kennedy Space Center. For safety reasons, since there are millions of pounds of propellant involved, the portion of the building that originally was planned for processing of forward segments and aft skirts cannot be fully utilized.

SAVINGS PROJECTS

Senator THURMOND. For the last 2 years we have authorized certain projects to be accomplished with savings. Please list these projects and indicate the status of each. Will you be able to put all of these projects under contract?

ANSWER. The attached lists reflect Air Force projects authorized during fiscal year 1983 and fiscal year 1984 to be accomplished with savings. The status of each project is also shown on these lists. The Air Force expects to put all of these projects under contract.

AIR FORCE FISCAL YEAR 1983 PROJECTS AUTHORIZED, NOT APPROPRIATED, TO BE FUNDED AFTER 1 APRIL 1983

[Dollars in thousands]

Base and project title	Programmed amount	Award status
Blytheville:		
Unaccompanied enlisted personnel housing	$3,600	September 1983.
Maintenance shop	1,533	April 1984.
Eglin: Composite management facility	11,000	December 1983.
Tyndall: Petroleum operations facility	5,240	June 1984.
Moody: Unaccompanied enlisted personnel housing	4,000	August 1983.
Chanute: Unaccompanied enlisted personnel housing	10,800	September 1983.
Grissom: Unaccompanied enlisted personnel housing	3,400	Do.
Whiteman: Unaccompanied enlisted personnel housing	7,800	August 1983.
Malmstrom: Unaccompanied enlisted personnel housing	5,100	Do.
Griffiss: Vehicle maintenance shop	7,400	November 1983.
Altus: Unaccompanied enlisted personnel housing	2,100	Do.
Vance:		
Unaccompanied enlisted personnel housing	8,000	September 1983.
Flight facility maintenance	500	August 1983.
Base flight operations facility	900	September 1983.
Total to be funded from savings	71,373	

FISCAL YEAR 1984 AIR FORCE SAVINGS PROJECTS APPROPRIATED

Base and project title	Programmed amount	Award status
Buckley ANG: Power upgrade	$2,000	July 1984.
Cannon: Consolidated support center	6,800	August 1984.
Clark:		
Satellite receiver	4,250	June 1984.
Consolidated support fac	2,250	Do.
Alter UOPH	1,450	Do.
Alter elec/mech	990	Do.
Turkey Var: Air base up-grade	11,300	Do.
Arnold: Fire protection	382	Do.
Fairchild: Fuel system	4,400	July 1984.
Whiteman:		
Heating plant	1,800	Do.
Missile maint facility	7,900	Do.
McConnell: Airfield light	1,230	August 1984.
Carswell: Power plant	710	Do.
Pope: Transportation complex	3,700	November 1984.
Altus: Operations and maint fac	3,400	September 1984.
Norton: Access road	6,400	November 1984.
Galena:		
Composite ops fac	3,700	August 1984.
Composite support fac	5,700	October 1984.
Tyndall: Civil engineering science lab	4,650	November 1984.
Bergstrom: Base entrace/land	3,000	September 1984.
Chanute: Heating plant	11,700	Do.
Goodfellow:		
Electrical distr sys	1,500	May 1984.
Voice proc fac	7,800	Do.
Columbus: PMEL	530	July 1984.

FISCAL YEAR 1984 AIR FORCE SAVINGS PROJECTS APPROPRIATED—Continued

Base and project title	Programmed amount	Award status
McClellan:		
Depot production fac	3,500	Do.
Inspection fac	5,900	September 1984.
Tinker:		
Combat elec fac	720	Do.
Combat comm fac	720	Do.
Fairchild:		
UEPH	8,500	July 1984.
Dining facility	3,730	Do.
Alter UEPH	5,000	Do.
Griffiss: UEPH	6,700	Do.
Whiteman		
UEPH (2 bldgs)	8,600	August 1984.
Dining hall	3,300	Do.
McConnell: UEPH	5,500	Do.
Tyndall: UEPH	4,500	November 1984.
Holloman: UEPH	3,100	August 1984.
Bergstrom: Base support	6,500	September 1984.
Holloman: Dining hall	3,000	August 1984.
Keesler: UEPH	6,400	September 1984.
Gunter: UEPH (2 proj)	5,000	June 1984.
Robins: UEPH	1,450	Do.
Sheppard: Gym	3,180	July 1984.
Lackland: Chapel	2,900	Do.
Vandenberg: Deicing fac	6,600	January 1984.
Travis: Phase I hospital	5,000	July 1984.
Edwards: Rapcon fac	490	September 1984.
Grissom: Vehicle maint shop	1,030	Do.
Whiteman: Vehicle maint fac	2,900	July 1984.
Pease: BCE fac	7,200	September 1984.
Holloman:		
Acft maint unit	600	August 1984.
Engine shop	1,000	Do.
Acft corr	1,400	Do.
Maint hangar	7,700	Do.
Munitions storage	3,700	Do.
Langley: Landfill	3,750	September 1984.
Keesler Computer training fac	11,900	August 1984.
Lowry: Classroom	6,100	September 1984.
Tinker: Engine fac	420	Do.
Fairchild: CBPO	1,100	Do.
Grissom:		
Personnel center	5,600	Do.
Dining hall	3,200	August 1984.
Offutt: UEPH	4,000	September 1984.
Charleston: Composite wing fac	3,200	Do.
Tyndall:		
UOPH	4,600	December 1984.
Education center	2,000	Do.
Base support center	6,500	Do.

FISCAL YEAR 1984 AIR FORCE SAVINGS PROJECTS APPROPRIATED—Continued

Base and project title	Programmed amount	Award status
Bergstrom:		
Education center	2,750	August 1984.
Composite wing fac	1,280	September 1984.
Eglin: GYM	2,150	Do.
Plattsburg: Physical fitness center	4,190	Do.

Senator **Thurmond**. What is your position with regard to the procedure we have used for the past two years in authorizing "savings projects"?

Answer. This procedure provided the services an excellent tool to use accumulated/anticipated savings to accomplish additional essential projects without increasing the appropriation level. The Air Force is grateful for this opportunity provided by the Congress.

The committee should, however, be cognizant of the changes taking place in the market place during its deliberation on continuing this practice in fiscal year 1985. As we have testified, we do not believe we will continue to accrue savings of the same magnitude as previous years and ask that this fact be noted in any proposed "General Reduction" to accompany "Savings Projects."

On the negative side, the "General Reduction" accompanying the "Savings Projects" caused an exaggerated "real growth" in the Air Force fiscal year 1985 request when compared to the fiscal year 1984 appropriation. While the Congress saw a need to provide approximately $1.7B in new projects, only $1.5B of funding was needed and therefore appropriated. The $1.5B appropriation thus became the baseline of comparison vice the requirement for $1.7B of construction. Should this depressed baseline result in lower authorizations/appropriations, it will in the long run, have a negative effect on our ability to upgrade or replace our large inventory of aged deteriorated facilities.

Senator **Thurmond**. What has been your recent experiences with regard to bids—are they still coming in well under the authorized amounts? Provide specific details for the record.

Answer. Yes, our bid experience over the past 5 months shows that the bids are averaging 78% of the programmed amount. However, the trend is moving upward. The trend for number of bidders per project is downward from an average of 10.2 in fiscal year 1983 to 8.0 for the past five months in fiscal year 1984. Based on these trends we expect a reversion to "normal" cost growth by fiscal year 1985. We have previously testified that our fiscal year 1985 program has been priced for very favorable and "optimistic" market conditions. Should our estimate of the upturn in the market be too conservative, the fiscal year 1985 program would be underpriced.

Senator **Thurmond**. Based on your current funding status, do you anticipate additional savings in 1984—how much?

Answer. We anticipate that approximately $60 million in additional savings will be generated during the fiscal year 1984 program execution.

SALE AND REPLACEMENT

Senator **Thurmond**. I assume you are familiar with section 807 of last year's Military Construction Authorization Act regarding the sale and replacement of nonexcess real property. I note that your request for fiscal year 1985 does not propose any transactions under section 807. Do you support section 807?

Answer. The Air Force strongly supports section 807. If funds were appropriated under that section they could provide a means of financing construction that would permit relocation of functions and in turn allow sale of Government property. The sale would produce a gain over the amount invested.

Senator **Thurmond**. Do you have some transactions that the committee might consider adding to the fiscal year 1985 bill? Please furnish specific proposals, if possible.

Answer. We are working a proposal with the Office of the Secretary of Defense involving March AFB, CA. It involves the construction of facilities costing $13 million, which in turn would permit sale of about 2200 acres of land which we estimate can be sold for about $22 million. An independent real estate appraisal is being prepared.

ENERGY MONITORING AND CONTROL SYSTEMS

Senator **Thurmond**. Last year the committee expressed concern that energy monitoring and control sytems (EMCS) were not performing as advertised. In response to a requirement in the Committee Report, you provided a report on where you stand. Please place a copy of your report in the record and summarize it for us.

Answer. The attached report to the Senate Armed Services Committee provided a listing of 88 Air Force EMCS projects in operation (34), construction (25) and design (29). It cited 20 projects to be construction completed and 23 awarded for construction by November 1983. The report also showed the estimated annual dollar savings of approximately $27.8 million for fiscal year 1985 and prior. EMCS will contribute 3.5 percent to the 20% energy reduction goal as directed by Executive Order 12003.

This report was very optimistic due to design and construction progress at that time. Since that time however, only 5 projects have been awarded for construction and five have become operational. The Air Force is experiencing problems in design, construction, procurement, and operation of EMCS systems, and will not program any additional EMCS until problems have been solved.

Department of the Air Force,
Office of the Assistant Secretary,
Washington, DC, November 28, 1983.

Hon. Melvin Price,
Chairman, Committee on Armed Services,
House of Representatives, Washington, DC.

Dear Mr. Chairman: This is in response to a request in the Senate Armed Services Committee Report No. 98-174, page 323 for an Air Force Energy Management and Control System (EMCS) progress report. The attached report provides the information requested.

Sincerely,

James F. Boatright,
Deputy Assistant Secretary of the Air Force
(Installations, Environment and Safety).

Attachment.

AIR FORCE EMCS PROGRESS REPORT

Prior to fiscal year (FY) 85, the Air Force managed 88 EMCS projects in the MCP, ECIP program. Thirty-four of these EMCS systems are operational. Twenty-five are under construction with twenty expected to be construction complete in November 1983. The remaining twenty-nine are under design with twenty-three expected to be awarded in November 1983.

The estimated annual dollar savings due to EMCS through the FY 84 program is approximately $25.5M. The EMCS program is contributing approximately 3.5 percent to the 20% energy reduction goal directed by Executive Order 12003.

The FY 85 MCP ECIP program has six EMCS projects with a total cost of $10.2M. The estimated annual dollar savings is $2.3M. The Air Force will continue to support the EMCS program to meet Department of Defense energy reduction goals of 25% by 1990 and to have all its bases fully applying EMCS, where cost effective by FY 2000.

Following is a detailed listing of all Air Force MCP, ECIP, EMCS projects. Table 1 lists those systems which are operational. Table 2 lists those that are under construction, and Table 3 lists those currently under design.

TABLE I.—ECIP—EMCS PROJECT STATUS PROJECTS OPERATIONAL AS OF SEPTEMBER 1983

[Dollars in thousands]

Fiscal year and installation	Total contract cost	Original completion date	Operational date
1976:			
AF Academy, CO	$2,513.0	June 1979	August 1979.
Arnold ADC, TN	855.3	January 1978	December 1979.
Bolling AFB, DC	397.3	February 1980	February 1983.
Brooks AFB, TX	494.0	May 1978	January 1978.
Charleston AFB, SC	440.0	February 1978	January 1978.

TABLE 1.—ECIP—EMCS PROJECT STATUS PROJECTS OPERATIONAL AS OF SEPTEMBER 1983—Continued

[Dollars in thousands]

Fiscal year and installation	Total contract cost	Original completion date	Operational date
Eglin AFB, FL	1,206.0	May 1980	December 1982.
Lackland AFB, TX	2,244.7	September 1977.	May 1979.
McGuire AFB, NJ	548.0	January 1978	May 1978.
Offutt AFB, NE	853.3	February 1978	March 1978.
Pease AFB, NH	243.3	June 1978	January 1980.
Scott AFB, IL	1,050.0	January 1979	March 1980.
Vandenberg AFB, CA	317.1	June 1977	June 1979.
1977:			
Arnold ADC, TN	347.0	January 1978	December 1979.
Bolling AFB, DC	231.0	February 1980	February 1983.
Eglin AFB, FL	354.0	September 1979.	December 1982.
Griffis AFB, NY	469.1	October 1978	March 1979.
Keesler AFB, MS	1,980.0	April 1978	July 1981.
Malmstrom, AFB	465.0	August 1979	August 1980.
McClellan AFB, CA	839.0	June 1978	January 1979.
Newark AFB, OH	275.2	March 1979	April 1982.
Norton AFB, CA	1,102.0	July 1978	December 1978.
Randolph AFB	1,485.0	January 1980	June 1983.
Robins AFB, GA	858.0	December 1977.	June 1978.
1978:			
Beale AFB, CA	435.2	August 1980	February 1980.
Hurlburt AFB, FL	674.4	do	March 1983.
Peterson AFB, CO	620.9	May 1981	October 1982.
Pope AFB, NC	414.5	August 1980	May 1983.
Travis AFB, CA	487.7	December 1979.	June 1982.
Vandenberg AFB, CA	1,630.0	March 1980	February 1982.
1979:			
Keesler AFB, MS	1,013.9	May 1982	April 1982.
Kirtland AFB, NM	803.3	January 1980	July 1982.
Langley AFB, VA	1,239.0	August 1980	April 1982.
1980:			
George AFB, CA	800.0	May 1982	July 1983.
1981:			
K.I. Sawyer AFB, MI	850.0	April 1982	November 1982.

TABLE 2.—ECIP—EMCS PROJECT STATUS PROJECTS IN CONSTRUCTION AS OF SEPTEMBER 1983

[Dollars in thousands]

Fiscal year and installation	Cost	Completion date	
		Original	Estimated
1976: Andrews AFB, MD	$539.0	February 1980	November 1983.
1977:			
Andrews AFB, MD	508.6	do	Do.
Barksdale AFB, LA	430.9	April 1982	Do.

TABLE 2.—ECIP—EMCS PROJECT STATUS PROJECTS IN CONSTRUCTION AS OF SEPTEMBER 1983—Continued

[Dollars in thousands]

Fiscal year and installation	Cost	Completion date	
		Original	Estimated
Dover AFB, DE	762.6	July 1979	Do.
Holloman AFB, NM	601.0	May 1980	Do.
Kelly AFB, TX	1,691.0	July 1979	October 1983.
1977:			
Cannon AFB, NM	631.4	June 1980	November 1983.
England AFB, LA	731.3	August 1980	Do.
Tyndall AFB, FL	690.0	June 1980	June 1984.
1978:			
Bergstrom AFB, TX	971.6	September 1980.	November 1983.
Castle AFB, CA	612.0	October 1980	June 1984.
Little Rock AFB, AR	636.4	December 1979.	September 1983.
Lowry AFB, CO	1,147.9	October 1981	October 1983.
MacDill AFB, FL	1,009.0	August 1980	November 1983.
McChord AFB, WA	887.2	June 1981	October 1983.
Myrtle Beach AFB, SC	897.0	June 1980	November 1983.
Shaw AFB	647.0	May 1980	Do.
1979:			
Altus AFB, OK	587.4	June 1980	Do.
Columbus AFB, MS	1,489.2	do	Do.
Fairchild AFB, WA	694.2	August 1984	August 1984.
Grand Forks AFB, ND	610.0	May 1982	November 1983.
Nellis AFB, NV	900.0	November 1982.	Do.
Robins AFB, GA	1,910.0	February 1981	May 1984.
1980:			
Davis Monthan AFB, AZ	1,800.0	November 1982.	June 1984.
Moody AFB, GA	853.6	August 1981	November 1983.

TABLE 3.—ECIP—EMCS PROJECT STATUS, PROJECTS IN DESIGN AS OF SEPTEMBER 1983

[Dollars in thousands]

Fiscal year and installation	Programming amount	Current working estimate	Percent design
1977: Reese	$250.0	$312.5	100
1979:			
Hanscom	2,000.0	2,000.0	65
Holloman	540.0	530.0	100
Reese	742.0	678,9	100
Wright-Patterson	3,350.0	3,350.0	85
1980: Mather	1,650.0	1,700.0	100
1981:			
Carswell	820.0	762.0	100
Dyess	1,100.0	897.2	93
Ellsworth	1,440.0	1,408.4	100
Hill	3,500.0	3,262.0	99
Loring	950.0	900.0	100

TABLE 3.—ECIP—EMCS PROJECT STATUS, PROJECTS IN DESIGN AS OF SEPTEMBER 1983—Continued

[Dollars in thousands]

Fiscal year and installation	Programming amount	Current working estimate	Percent design
1982:			
Homestead	1,210.0	1,072.0	98
F.E. Warren	720.0	621.0	95
Lowry	2,840.0	2,800.0	100
March	940.0	885.0	80
McQuire	2,680.0	1,940.0	100
Plattsburgh	890.0	787.0	15
Wurtsmith	720.0	621.0	95
1983:			
Arnold	2,250.0	2,317.0	85
Chanute	3,600.0	3,160.0	100
Hahn	630.0	810.0	35
Kirtland	1,770.0	1,770.0	70
Laughlin	2,680.0	1,215.0	90
Maxwell/Gunter	7,850.0	7,850.0	35
Randolph	365.0	279.0	90
Seymour Johnson	2,220.0	2,068.0	95
Zweibrucken	510.0	509.0	12
1984:			
McConnell	2,430.0	2,430.0	60
Vance	1,250.0	1,150.0	35

ENERGY MONITORING AND CONTROL SYSTEMS

Senator THURMOND. Are the EMCS's cost effective? Are you getting the savings that you originally forecast?

ANSWER. The Air Force is validating EMCS savings at two bases, Lackland and Offutt. Preliminary results for the Luke and Norton AFB's EMCS show savings greater than estimated. Results from the other bases are being evaluated. During the design phase, EMCS's are being determined to be cost effective with an estimated average simple payback of less than ten years. The Air Force is continuing to monitor actual energy savings due to EMCS.

Senator THURMOND. In your view, does it make sense to continue to invest in EMCS's?

ANSWER. Yes. It makes sense to invest in EMCS's because of the tremendous potential of energy savings and to meet the energy reduction goals of DOD. However, The Air Force will not program and additional EMCS projects until the design, construction, procurement and operational problems of on-going EMCS projects are solved.

MUSEUM, WRIGHT-PATTERSON AIR FORCE BASE

Senator THURMOND. You are requesting 50% funding for expansion of the Air Force Museum at Wright-Patterson Air Force Base. As a rule, Military Construction funds are not used for museum construction. Why are you seeking military construction appropriations in this case?

ANSWER. Appropriated funds and being sought as an equitable means of providing a safe and long term environment for US Air Force historical assets and a facility in which to make them available for study and viewing by the American public. The Air Force Museum Foundation funded the existing structure and has committed to funding half the cost of the addition. Since all the holdings of the US Air Force Museum are US Government property, it is logical that the Government bear part of the cost of the building in the same fashion that is is bearing half the cost of the Smithsonian Center for African, Near Eastern, and Asian Culture.

SECTIONS 801 AND 802

Senator THURMOND. Last year the Congress authorized the Secretaries of the military departments to enter into build-to-lease and rental guarantee arrangements with the private sector. What progress has the Air Force made in the implementation of sections 801 and 802 of the fiscal year 1984 Military Construction Authorization Act?

ANSWER. Implementation of the program is under way. A Request for Proposals (RFP) has been distributed to approximately 20 proposers for bids to construct 300 units of build/lease housing at Eielson AFB, AK.

Senator THURMOND. What bases are candidates for these projects?

ANSWER. Three other bases will be chosen for 801 or 802 projects from the following candidates: Norton AFB, CA, Hanscom AFB, MA, Altus AFB, OK, and Tinker AFB, OK.

Senator THURMOND. What are the criteria you are using for cost comparisons?

ANSWER. Economic analyses comparing different housing acquisition methods are controlled by OMB Circular A-94 and A-104. The costs of the programs are compared to military construction and the housing allowances paid to military members residing off-base.

Senator THURMOND. Are these criteria consistent with provisions of Office of Management and Budget Circular A-76 that governs the contracting out of base functions?

ANSWER. Economic analyses comparing different housing acquisition methods are controlled by OMB Circular A-94 and A-104. A-76 procedures are used to compare ongoing functions such as housing maintenance. These A-76 procedures have been used successfully; about one-half of all Air Force bases use contract housing maintenance.

FAMILY HOUSING

Senator THURMOND. Last year the Congress required that family housing overseas be built with U.S. built manufactured housing. How many countries have accepted this provision and how many have not?

ANSWER. The Air Force has family housing projects for 2,476 units in 6 foreign locations in fiscal year 1984-85. The use of factory-built housing has been approved for a total of 300 units in the Netherlands and Germany. The concept has not yet been approved in the UK, the Azores, Belgium or Italy.

Senator THURMOND. What assistance have the Departments of State and Defense given you in this matter?

ANSWER. Embassy personnel in the foreign locations have been working with the host nations to encourage approval for factory-built housing. The Department of Defense office of International Security Policy (ISP) is providing liaison between Embassies and the Air Staff. They have followed the Engineering and Services efforts to achieve manufactured housing approval, and at appropriate times have interceded to provide guidance on politically sensitive issues.

Senator THURMOND. There is a request for 140 units at Fort MacArthur, California. Would you brief us on the need for this housing?

ANSWER. This 140 unit housing request is the last of three increments of housing to support Air Force Systems Command's Space Division located at Los Angeles Air Force Station, California. The fiscal year 1983 increments provided 400 units of housing for enlisted and junior/company grade officer families. This last increment satisfied the field grade, i.e., majors and lieutenant colonels and senior officers, i.e., colonels, requirement. It should be noted that Space Division, by the nature of its scientific and research work, is populated by a large number of highly skilled officers. Because of this unique research and development effort, there is an inordinately large officer-to-enlisted ratio—1100 to 400. The September 1983 Military Family Housing Survey has substantiated the need for this increment of housing. A subsequent survey in December 1983, of 22 recently assigned field grade officers revealed the following:

(a) Only seven found quarters within the DOD standard, one-hour commute time.

(b) Cost of housing average $532 in excess of basic allowance for quarters and variable housing allowances.

(c) Of the 22, 18 believe their housing situation worse than at their previous assignement—including eight that had transferred from the Washington DC area.

(d) The primary reasons for dissatisfaction with their housing were cost, travel time, size of housing, and neighborhood. Typical survey responses were ". . . looked at 40 houses . . . saw a lot we wouldn't live in" ". . . looked for three months . . . couldn't afford many houses or they were too small." Pages 960 and 961 of the Budget Submission provided a far more comprehensive analysis of need.

Senator THURMOND. Does this area exceed the maximum expenditure for housing authorized by the Department of Defense?

Answer. The cost of housing for Air Force members who would live in the units requested in the fiscal year 1985 program, averages $532 per month more than their authorized basis allowance for quarters plus variable housing allowance.

Senator **Thurmond.** There are 265 units at Francis E. Warren Air Force Base, Wyoming. Why not consider this base for a section 801 or 802 project and either keep the substandard housing or tear it down?

Answer. The Air Force considered F.E. Warren as a candidate for the 801/802 programs, but focused on other sites for the test programs. We feel the climate for investor interest will be far greater in an area where we can clearly demonstrate a housing deficit. At F.E. Warren we are replacing existing units—not satisfying a deficit. Also, the Peacekeeper construction activities will place a significant demand on the building trades resources in the area. As a result, we do not expect that an investor, seeking construction of 265 units, would be able to compete well in the market. Demand for housing will increase during Peacekeeper build-up as construction workers and their families relocate to the area. This demand will have a great impact on Air Force families, and the proposed project to build 265 units will provide a temporary housing buffer for our families during the Peacekeeper construction period. The substandard units will be retained until housing demands, caused by the Peacekeeper construction, stabilized. At that time, the requirement to provide replacements for the remaining 210 units will be reassessed based on local community assets.

LEASING

Senator **Thurmond.** Would you outline for us the Air Force's plan for leasing quarters in fiscal year 1985 to include the need for an increase in the total number of units.

Answer. The fiscal year 1985 budget request includes funding for 601 new units over those to be funded in fiscal year 1984, 401 in Germany and 200 in Greece. In an effort to satisfy long-term housing deficits, the Air Force has undertaken an aggressive program to find private entrepreneurs capable of providing leased housing at competitive prices. The program requires lease point authorizations prior to advertising for prospective bidders. The additional lease authorizations requested will enable us to advertise at several locations simultaneously. If and when we obtain build/lease proposals that are more cost effective than government construction, we will file a Title X Report for Congressional approval. Lease funding will not be required before fiscal year 1986. At locations where build/lease is not more cost effective, construction projects will be programmed and lease points will be used to advertise at other locations or turned back to OSD.

NEW HOSPITAL, MINOT AFB, ND

Senator **Thurmond.** Please comment on the project listed in the attached letter.

Answer. Reference the letter dated Feb. 16, 1984 from Senators Andrews and Burdick concerning a new hospital at Minot AFB, ND. The following information is provided on the status of the project. The project is currently proposed for submittal in the fiscal year 1986 MCP. The current cost estimate is $26.5M for this 178,000 SF facility and the design is complete. If funds were made available this project could be put under contract in fiscal year 1985, DD Form 1391 is attached.

1. COMPONENT AIR FORCE	FY 1985 MILITARY CONSTRUCTION PROJECT DATA	2. DATE

3. INSTALLATION AND LOCATION MINOT AIR FORCE BASE, NORTH DAKOTA	4. PROJECT TITLE COMPOSITE MEDICAL FACILITY

5. PROGRAM ELEMENT 8.77.11	6. CATEGORY CODE 510-001	7. PROJECT NUMBER 10380	8. PROJECT COST ($000) 26,500

9. COST ESTIMATES

ITEM	U/M	QUANTITY	UNIT COST	COST ($000)
COMPOSITE MEDICAL FACILITY	SF	178,000		21,440
HOSPITAL	SF	(87,500)	140	(12,250)
CLINIC	SF	(71,500)	90	(6,435)
DENTAL CLINIC	SF	(19,000)	145	(2,755)
SUPPORTING FACILITIES				1,750
UTILITIES	LS			(650)
SITE IMPROVEMENTS	LS			(700)
PAVEMENTS	LS			(400)
SUBTOTAL				23,190
CONTINGENCY (5.0%)				1,160
TOTAL CONTRACT COST				24,350
SUPERVISION, INSPECTION AND OVERHEAD (5.5%)				1,339
CATEGORY "E" EQUIPMENT				800
TOTAL REQUEST				26,489
TOTAL REQUEST (ROUNDED)				26,500
EQUIPMENT PROVIDED FROM OTHER APPROPRIATIONS		(NON ADD)		(3,180)

10. DESCRIPTION OF PROPOSED CONSTRUCTION Reinforced concrete foundation and floor slab, multi-story concrete structural frame, walls, built-up roof system and all necessary support. Includes all communication system requirements and facility systems operating manuals. Functional areas include a 47-bed hospital, outpatient clinics, 24 dental treatment rooms, ancillary treatment facilities and administrative support areas.

11. REQUIREMENT: 178,000 SF ADEQUATE: 0 SUBSTANDARD: 158,100 SF

PROJECT: Construct a composite medical facility.

REQUIREMENT: A composite medical facility of sufficient size and efficient functional configuration is needed to meet the total health care needs of the military community served. A new facility is needed to permit the most efficient use of medical and dental personnel and resources in providing medical and dental care.

CURRENT SITUATION: The present medical complex consists of two buildings on Minot AFB and the main hospital located 14 miles from the base in the city of Minot. These existing facilities do not meet current life safety codes and environmental control standards of medical and dental facilities. Space for examinations and care of patients is inadequate and doctors' offices must also be used as examination rooms. Inadequate waiting rooms force patients to sit in corridors while waiting for appointments, immunizations, X-rays and physical exams. The resulting overcrowded conditions, coupled with the distance between the base and the hospital in the city, combine to have a negative impact on quality health care. In addition, the capacities of utilities in the existing facility cannot support the type and quantity of modern medical equipment required in today's medical environment.

IMPACT IF NOT PROVIDED: Failure to approve this project will result in continued, serious, operational compromises, and inefficient use of available health care resources. Assigned personnel will not have timely access to the medical care required to maintain their health and the efficiency of assigned units. Medical care will continue to be provided in wide separated, substandard and obsolete facilitites.

HAZARDOUS MATERIALS STORAGE FAC, ROBINS AFB, GA

Senator THURMOND. Please comment on the project listed in the attached letter.

ANSWER. Reference the letter dated March 20, 1984 from Senator Nunn concerning a hazardous materials storage facility project at Robins AFB, GA. The following information is provided on the status. The project is currently proposed for inclusion in the fiscal year 1986 MCP at a cost of approximately $9M. The design is 100% complete and, if funds were made available, this project could by put under contract in fiscal year 1985.

MEMBER'S LETTERS

Senator THURMOND. Please comment on the projects listed in the attached letters (letter from Senator Ted Stevens, March 20, 1984).

ANSWER. The Secretary of the Air Force has determined that expeditious construction is required to upgrade the runway lights at Shemya AFB at a cost of $8 million. Recent mishap analyses indicate that inadequate runway lighting poses a significant risk to flying operations at Shemya. A request for approval or reprogramming actions under 10 U.S.C. 2803 was forwarded to OSD for subsequent forwarding to the Congress.

A project to construct a Composite Alert Facility at Shemya AFB for $11 million was included in the Air Force budget request to OSD in the fiscal year 1985 MCP. However, this project was deferred for re-evaluation of the scope. The project has since been re-evaluated for scope and is currently being considered for inclusion in the fiscal year 86 MCP.

A project to construct a liquid fuel pipeline for transfer of fuel from the bulk storage area to the flightline was included in the Air Force budget request to OSD in the fiscal year 1985 MCP. This project was not included in the request to the Congress because of budgetary constraints. It is now being considered for fiscal year 1987 programming. The estimated cost of this project has increased because of the inclusion of a fire suppression system. The estimated cost is currently $9.5 million.

SHEMYA LIQUID FUEL PIPELINE

Senator THURMOND. The second project involves $8.3 million for a liquid fuel pipeline project. What is the status of this project?

ANSWER. This project is 35 percent designed at an $8.3 million programmed amount. However, the estimated project cost has increased because of the inclusion of a fire suppression system. The estimated cost is currently $9.5 million.

GRISSOM AFB, IN

Senator THURMOND. Please comment on the projects listed in the attached letter.

ANSWER. Reference the letter dated March 21, 1984 from Senator Quayle of Indiana concerning two projects at Grissom AFB that were not included in the Air Force's fiscal year 1985 military construction program (MCP) budget request. The following information is provided on the status of these projects:

[Dollars in thousands]

Project	Scope	Cost	Current design (percent)	Design complete
Aircraft maintenance shop	10,100SF	$1,250	35	October 1984.
Base civil engineering complex—Phase I	59,000SF	4,350	35	Do.

The above projects can be accomplished in fiscal year 1985 if funds are made available. DD Forms 1391/1391c are attached.

1. COMPONENT AIR FORCE	FY 19 85 MILITARY CONSTRUCTION PROJECT DATA	2. DATE

3. INSTALLATION AND LOCATION GRISSOM AIR FORCE BASE, INDIANA	4. PROJECT TITLE AIRCRAFT MAINTENANCE SHOP

5. PROGRAM ELEMENT 1.18.96	6. CATEGORY CODE 211-152	7. PROJECT NUMBER 11881	8. PROJECT COST ($000) 1,250

9. COST ESTIMATES

ITEM	U/M	QUANTITY	UNIT COST	COST ($000)
AIRCRAFT MAINTENANCE SHOP	SF	10,100	95	960
SUPPORTING FACILITIES				160
UTILITIES	LS			(80)
SITE IMPROVEMENTS	LS			(30)
PAVEMENTS	LS			(50)
SUBTOTAL				1,120
CONTINGENCY (5.0%)				56
TOTAL CONTRACT COST				1,176
SUPERVISION, INSPECTION AND OVERHEAD (5.5%)				65
TOTAL REQUEST				1,241
TOTAL REQUEST (ROUNDED)				1,250

10. DESCRIPTION OF PROPOSED CONSTRUCTION Reinforced concrete foundation and floor, structural frame, walls, roof, utilities and necessary support. Includes office space and shop areas, extension of access road and parking. Air Conditioning - 5 tons.

11. REQUIREMENT: 52,000 SF ADEQUATE: 41,900 SF SUBSTANDARD: 3,300 SF

PROJECT: Construct an aircraft maintenance shop.

REQUIREMENT: Adequate space, properly sized and configured, is required in which various aircraft maintenance functions and related activities can be safely performed effectively and efficiently to support the flying missions at this base. A new facility is required to house the paint shop, fiberglass fabrication shop, electric and battery shop and production control area. New and more stringent occupational safety and health (OSH) requirements necessitate the construction of an adequate facility which can meet current OSH standards.

CURRENT SITUATION: The paint and fiberglass functions currently occupy a portion of the existing sheet metal shop which does not provide enough space and does not meet the venting requirements of OSH criteria. Vacated space will revert to sheet metal use to satisfy current deficiencies. The electric and battery shop and production control now occupy a portion of the aircraft corrosion control facility. This space also does not meet current OSH criteria for safety and health and lacks sufficient space for these activities. Vacated space will revert to corrosion control and mobility group use for which it will be adequate.

IMPACT IF NOT PROVIDED: Aircraft maintenance will be forced to continue to be accomplished out of facilities which are too small, not properly located or designed to meet current OSH criteria. This will result in personnel to be exposed to unnecessary safety and health risks.

1. COMPONENT AIR FORCE	FY 19 85 MILITARY CONSTRUCTION PROJECT DATA	2. DATE

3. INSTALLATION AND LOCATION GRISSOM AIR FORCE BASE, INDIANA	4. PROJECT TITLE BASE CIVIL ENGINEERING COMPLEX - PHASE I

5. PROGRAM ELEMENT 1.18.96	6. CATEGORY CODE 219-000	7. PROJECT NUMBER 11871	8. PROJECT COST ($000) 4,350

9. COST ESTIMATES

ITEM	U/M	QUANTITY	UNIT COST	COST ($000)
BASE CIVIL ENGINEERING COMPLEX - PHASE I	SF	59,000	58	3,422
SUPPORTING FACILITIES				510
UTILITIES	LS			(255)
SITE IMPROVEMENTS	LS			(125)
PAVEMENTS	LS			(130)
SUBTOTAL				3,932
CONTINGENCY (5.0%)				197
TOTAL CONTRACT COST				4,129
SUPERVISION, INSPECTION AND OVERHEAD (5.5%)				227
TOTAL REQUEST				4,356
TOTAL REQUEST (ROUNDED)				4,350

10. DESCRIPTION OF PROPOSED CONSTRUCTION Reinforced concrete foundation and floor, structural frame, wall, roof system, utilities and necessary support. Includes maintenance shops, administration, equipment compound, covered and open storage, vehicle parking and back-up power and air conditioning. Air Conditioning - 60 Tons.

11. REQUIREMENT: 96,400 SF ADEQUATE: 21,400 SF SUBSTANDARD: 93,200 SF

PROJECT: Construct a base civil engineer complex. This is Phase I of a two-phased project to replace existing substandard facilities.

REQUIREMENT: Adequate space, properly sized and configured, is required in which the base engineer can effectively, efficiently and safely accomplish the various shop, vehicle, road, pavement, storage and administrative functions necessary in the maintenance and upkeep of the base and related mission activities.

CURRENT SITUATION: Base civil engineer functions are currently housed in twelve separate widely scattered buildings, five of which are over forty years old and structurally unsound as is one other that is over twenty five years old. These facilities are energy inefficient and lack adequate electrical and mechanical systems. The separate facilities restrict effective control and assignment of the workforce. The inability to consolidate work control, planning, and associated administrative functions with or near the maintenance shops increases the difficulty and effort required to develop work schedules and plans, and obtain supplies. Two buildings are considered too small and not properly located for continued base engineer use and will revert to medical storage and aircraft maintenance activities for which they will be adequate. The remaining four buildings will be retained in their current use. Six buildings will be disposed of as a result of this project.

IMPACT IF NOT PROVIDED: The age and condition of the existing substandard buildings to be replaced are such that they seriously jeopordize the base civil engineer's capability to support the base mission.

FAIRCHILD AFB, WA

Senator THURMOND. Please comment on the projects listed in the attached letter.

ANSWER. Reference the letter dated March 20, 1984 from Senator Gorton of Washington concerning three projects at Fairchild AFB that were not included in the Air Force's fiscal year 1985 military construction program (MCP) budget request. The following information is provided on the status of these projects:

[Dollars in thousands]

Project	Scope	Cost	Current design (percent)	Design complete
Alter aircraft maintenance fac	52,200SF	4,900	30	February 1985.
Mission operations facility	41,200SF	4,000	30	Do.
Security police facility	19,000SF	2,300	50	January 1985.

The above projects can be accomplished in fiscal year 1985 if funds are made available. DD Forms 1391/1391c are attached.

1 COMPONENT AIR FORCE	FY 1985 MILITARY CONSTRUCTION PROJECT DATA	2 DATE

3 INSTALLATION AND LOCATION FAIRCHILD AIR FORCE BASE, WASHINGTON	4. PROJECT TITLE ALTER AIRCRAFT MAINTENANCE FACILITY

5 PROGRAM ELEMENT 1.18.96	6 CATEGORY CODE 211-152	7 PROJECT NUMBER GJKZ86-0006	8 PROJECT COST ($000) 4,900

9 COST ESTIMATES

ITEM	U/M	QUANTITY	UNIT COST	COST ($000)
ALTER AIRCRAFT MAINTENANCE FACILITY	SF	52,200	82.00	4,176
SUPPORTING FACILITIES				46
SUBTOTAL				4,222
CONTINGENCY (10.0%)				422
TOTAL CONTRACT COST				4,644
SUPERVISION, INSPECTION AND OVERHEAD (5.5%)				256
TOTAL REQUEST				4,900

10. DESCRIPTION OF PROPOSED CONSTRUCTION

All structural, electrical and mechanical work to provide a modern, effective and efficient aircraft maintenance facility. Includes maintenance shops, administrative space, mechanical rooms, toilets, utilities and necessary support. Air Conditioning-5 Tons.

11. REQUIREMENT: 52,200 SF. ADEQUATE: 0. SUBSTANDARD: 52,200 SF

PROJECT: Alter the existing aircraft maintenance facility.

REQUIREMENT: Adequate space, properly configured, is required in which maintenance of aircraft and their components can be accomplished. The existing facility requires replacement and reconfiguration of shop structures, a new administrative section, and upgrade of electrical and mechanical systems.

CURRENT SITUATION: The existing aircraft maintenance shops are located in a large depot level maintenance facility built in 1943. These shops are wood frame structures built in the central area of this large facility and have had only minimal alterations over the years to accommodate base level maintenance on jet aircraft. These wood structures present a fire and safety hazard as the second floor has been condemned for continued habitation. Structural, electric and hydraulic shops are properly located which hampers the flow of work. The administrative support space is located in a remote area of the facility away from the shops which does not provide adequate management and control over the work. The electrical and mechanical systems within the building are outdated and not properly located or situated to support the shops.

IMPACT IF NOT PROVIDED: Effective and efficient maintenance on aircraft and components cannot be accomplished which could have an adverse impact on the base's capability to perform its assigned mission.

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1. COMPONENT AIR FORCE	FY 1985 MILITARY CONSTRUCTION PROJECT DATA	2. DATE

3. INSTALLATION AND LOCATION FAIRCHILD AIR FORCE BASE, WASHINGTON	4. PROJECT TITLE MISSION OPERATIONS FACILITY

5. PROGRAM ELEMENT 1.18.96	6. CATEGORY CODE 141-753	7. PROJECT NUMBER GJKZ85-0018	8. PROJECT COST ($000) 4,000

9. COST ESTIMATES

ITEM	U/M	QUANTITY	UNIT COST	COST ($000)
MISSION OPERATIONS FACILITY	SF	41,200	80	3,296
SUPPORTING FACILITIES				315
UTILITIES	LS			(290)
SITE IMPROVEMENTS	LS			(25)
SUBTOTAL				3,611
CONTINGENCY (5.0%)				180
TOTAL CONTRACT COST				3,791
SUPERVISION, INSPECTION AND OVERHEAD (5.5%)				209
TOTAL REQUEST				4,000

10. DESCRIPTION OF PROPOSED CONSTRUCTION

Masonry walls, concrete floor slab and foundation, structural frame and roof system. Includes maintenance area, storage, administrative area, mechanical equipment room, miscellaneous support areas, utilities and necessary support.

11. REQUIREMENT: 41,200 ADEQUATE: 0. SUBSTANDARD: 44,510

PROJECT: Construct a mission operations facility.

REQUIREMENT: A composite mission operations facility is required in which to consolidate four squadrons of bombers, tankers and helicopters.

CURRENT SITUATION: Squadron operations for two KC-135 tanker squadrons, one B-52 bomber squadron and one helicopter squadron are currently located in four separate wood frame buildings. The facilities are substandard, not properly configured or located to provide adequate support for these various missions which must often work together. Mission planning and training functions are difficult to coordinate among the four squadrons in their present locations. In addition, the bomber and tanker squadron operations facilities are not located within the required response distances to the alert aircraft areas. This project will consolidate all four squadron operations activities in one facility and eliminate the inherent inefficiencies that exist with the separate facilities.

IMPACT IF NOT PROVIDED: These aircraft missions will continue to be forced to operate out of four separate, widely scattered buildings which will result in continued inefficient and ineffective coordination of mission planning and training. This could have an adverse impact on the mission capability and security of the United States.

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1 COMPONENT AIR FORCE	**FY 1985 MILITARY CONSTRUCTION PROJECT DATA**	2 DATE

3 INSTALLATION AND LOCATION FAIRCHILD AIR FORCE BASE, WASHINGTON	4. PROJECT TITLE SECURITY POLICE FACILITY

5 PROGRAM ELEMENT 1.18.96	6 CATEGORY CODE 130-835	7 PROJECT NUMBER 11891	8 PROJECT COST ($000) 2,300

9 COST ESTIMATES

ITEM	U/M	QUANTITY	UNIT COST	COST ($000)
SECURITY POLICE FACILITY	SF	19,000	76	1,444
SUPPORTING FACILITIES				632
UTILITIES	LS			(405)
SITE IMPROVEMENTS	LS			(70)
PAVEMENTS	LS			(80)
DEMOLITION	LS			(60)
SEISMIC	LS			(17)
SUBTOTAL				2,076
CONTINGENCY (5.0%)				104
TOTAL CONTRACT COST				2,180
SUPERVISION, INSPECTION AND OVERHEAD (5.5%)				120
TOTAL REQUEST				2,300

10. DESCRIPTION OF PROPOSED CONSTRUCTION Reinforced concrete foundation and floor, structural frame, walls and roof system, utilities and necessary support. Includes administration, assembly/training, secure storage spaces, security alarm center and confinement space, and includes emergency back up power. Air Conditioning - 70 tons.

11. REQUIREMENT: 19,000 SF ADEQUATE: 0 SUBSTANDARD: 18,700 SF

PROJECT: Construct a security police facility.

REQUIREMENT: An adequate facility, properly sized and configured, is required to accommodate the security police activities at this base. The security police are responsible for the protection of facilities, aircraft, military personnel and dependents. A single facility is required to insure proper management and control of security police and their activities.

CURRENT SITUATION: The security police are currently housed in a wood frame building constructed in 1955. This facility is substandard for continued use for security police functions. Its location does not provide the necessary response time and accessibility to restricted areas containing high priority resources. The existing facility requires excessive maintenance and lacks adequate fire protection. One building will be demolished as a result of this project.

IMPACT IF NOT PROVIDED: The security police will continue to operate out of a substandard building which will result in inefficient operation and control of their activities and make their job of protecting high priority resources, facilities, aircraft and people more difficult.

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ANG FISCAL YEAR 1983 MILCON EXECUTION

Senator THURMOND. What was the Air National Guard program obligation performance for fiscal year 1983?

General CHAMBERS. To date we have opened bids on 33 of the 50 projects submitted in our fiscal year 1983 request. This represents an execution rate of 74 percent. Ten of the remaining projects are ready to advertise for bids, and design is proceeding on the other seven projects and most will be ready to bid in the next 60 days.

The Congress added two projects to our fiscal year 1983 program, one of which, the runway project at Fort Huchucha, Arizona is under construction. The other project, for Stewart Field, New York, will be ready to advertise for bids in May 1984.

Senator THURMOND. What do you project it to be for fiscal year 1984?

General CHAMBERS. The Air Guard has authorized construction to date on $60.5 million (64 percent) of the $94.8 million appropriated for the fiscal year 1984 military construction projects. It is estimated that 97 percent of the fiscal year 1984 program will be authorized for construction by the end of the fiscal year. This includes $29.2 million that Congress added for facility construction at Stewart Field, New York which is scheduled to be ready to advertise for construction bids in the fourth quarter of fiscal year 1984.

STATE FUNDS FOR ANG PROJECTS

Senator THURMOND. The Federal Government is running a $200 billion deficit this year while many States are enjoying a budget surplus. Should the States bear more of the burden for Guard construction?

General CHAMBERS. Construction for Air National Guard units is presently 100 percent federally funded and ownership of the property is retained by the Air Force. The States contribute typically 25 percent of the day-to-day operational costs for the real property maintenance activities. Our experience indicates that placing more of the burden for financing the Air National Guard on the States would lead to reduction in the present levels of support and eventually a reduction in the readiness of Air National Guard.

QUESTIONS SUBMITTED BY SENATOR SAM NUNN

RESERVE C-5A FACILITIES ARE BASED ON A 4.0 CREW RATIO

Senator NUNN. I am pleased with the Air Force announcement that the Air Force Reserve would receive its first dedicated strategic airlift unit with the arrival of C-5A aircraft at Kelly Air Force Base. Are the facilities programmed for this mission change predicated on 4.0 crew ratio, the same as the current active/reserve associate units, or some lower figure?

General SCHEER. The facilities for the Reserve C-5 unit at Kelly AFB are based on a 4.0 crew ratio, the same as the active/associate unit structure.

THIS ACTION INCREASES THE OVERALL AIRLIFT CAPABILITY

Senator NUNN. How does this action contribute to the overall airlift shortfall?

Generl SCHEER. This action will increase the overall wartime airlift capability of the nation because each C-5A transferred to the Reserve Forces will be replaced by a C-5B in the active/associate units. The Reserve Forces will keep these aircraft wartime ready at a lower peacetime operating cost because of our lower peacetime activity level.

HAZARDOUS MATERIALS STORAGE FACILITY, ROBINS AFB, GA

Senator NUNN. During the last several years, there have been increasing environmental and safety concerns around the use and disposal of hazardous materials on our defense installations. This has been particularly true in defense depots where industrial processes require significant volumes of a multitude of hazardous substances. Please outline Air Force plans to deal with the storage of hazardous materials at Warner Robins Air Logistics Center at Robins Air Force Base. My understanding is that a new hazardous materials storage facility has been planned. What is the status of design of this facility? What problems is the project designed to overcome? Why has this project not been included in the fiscal year 1985 MILCON request. How does this project fit into the overall facility modernization priorities of the base?

Answer. The $9M project to construct a new hazardous materials storage facility is 100% designed. This new facility will correct existing deficiencies under the National Fire Code OSHA and EPA regulations. In addition, a severe space shortage will be corrected and substandard conditions will be corrected. Project is proposed in conjunction with a DLA project to construct a new Defense Property Disposal office.

The project was twice deferred by OSD on the basis that time was needed to develop a less expensive way to meet storage requirements and to study alternate siting to avoid destruction of an existing deteriorated warehouse. Previous studies have been revalidated and new studies will not lower costs nor identify new sites.

The project has been the number one priority in the base's facility modernization program.

F-4E AIRCRAFT

Senator **Nunn.** Moody Air Force Base is one of the last active installations to fly the F-4E aircraft. What are the Air Force's plans to modernize this installation with more up-to-date aircraft? How long do you expect the F-4E aircraft to remain in the active Air Force inventory?

Answer. There are currently three stateside and six overseas active fighter units flying the F-4E. These units are based at George AFB, California; Moody AFB, Georgia; Seymour Johnson AFB, North Carolina; Osan AB, Korea; Taegu AB, Korea; Clark AB, Philippine Islands; Keflavik AB, Iceland; Spangdahlem AB, Germany; and Ramstein AB, Germany. Additionally, the 31st Tactical Training Wing at Homestead AFB, Florida, is still equipped with the F-4D. All of these installations will eventually modernize with the F-15 or F-16 as aircraft become available. The next unit to convert will be Ramstein AB as announced in February of 1984. No other conversions have been announced to date. Based on anticipated F-15/F-16 procurement rates and the requirement to provide a portion of those aircraft to other missions and to Air National Guard and Air Force Reserve units, we anticipate that the F-4E will remain in the active inventory into the early 1990s.

Questions Submitted by Senator Dan Quayle

GRISSOM AIR FORCE BASE

Senator **Quayle.** General Wright, over the past several years the Strategic Air Command has consistently rated Grissom Air Force Base among its worst bases in terms of the physical plant and facilities. In view of that, I was shocked to notice that Grissom has again been essentially ignored in this year's bill—just one $920,000 project against a total MILCON requirement that exceeds $80 million. I understand there are two other projects that are far enough along to be included in the fiscal year 1985 bill—an aircraft maintenance shop and a base civil engineering complex (phase I). I further understand that these projects were supported at the SAC and USAF level but were eliminated at the last minute by OSD. Could you please provide the design completion and validation information for these two projects?

Answer. The design of these projects is currently at 35% and the design will be completed in October 1984. DD Forms 1391/1391c project data validating these projects are attached.

1. COMPONENT AIR FORCE	FY 19 85 MILITARY CONSTRUCTION PROJECT DATA	2. DATE

3. INSTALLATION AND LOCATION GRISSOM AIR FORCE BASE, INDIANA	4. PROJECT TITLE AIRCRAFT MAINTENANCE SHOP

5. PROGRAM ELEMENT 1.18.96	6. CATEGORY CODE 211-152	7. PROJECT NUMBER 11881	8. PROJECT COST ($000) 1,250

9. COST ESTIMATES

ITEM	U/M	QUANTITY	UNIT COST	COST ($000)
AIRCRAFT MAINTENANCE SHOP	SF	10,100	95	960
SUPPORTING FACILITIES				160
UTILITIES	LS			(80)
SITE IMPROVEMENTS	LS			(30)
PAVEMENTS	LS			(50)
SUBTOTAL				1,120
CONTINGENCY (5.0%)				56
TOTAL CONTRACT COST				1,176
SUPERVISION, INSPECTION AND OVERHEAD (5.5%)				65
TOTAL REQUEST				1,241
TOTAL REQUEST (ROUNDED)				1,250

10. DESCRIPTION OF PROPOSED CONSTRUCTION Reinforced concrete foundation and floor, structural frame, walls, roof, utilities and necessary support. Includes office space and shop areas, extension of access road and parking. Air Conditioning - 5 tons.

11. REQUIREMENT: 52,000 SF ADEQUATE: 41,900 SF SUBSTANDARD: 3,300 SF

PROJECT: Construct an aircraft maintenance shop.

REQUIREMENT: Adequate space, properly sized and configured, is required in which various aircraft maintenance functions and related activities can be safely performed effectively and efficiently to support the flying missions at this base. A new facility is required to house the paint shop, fiberglass fabrication shop, electric and battery shop and production control area. New and more stringent occupational safety and health (OSH) requirements necessitate the construction of an adequate facility which can meet current OSH standards.

CURRENT SITUATION: The paint and fiberglass functions currently occupy a portion of the existing sheet metal shop which does not provide enough space and does not meet the venting requirements of OSH criteria. Vacated space will revert to sheet metal use to satisfy current deficiencies. The electric and battery shop and production control now occupy a portion of the aircraft corrosion control facility. This space also does not meet current OSH criteria for safety and health and lacks sufficient space for these activities. Vacated space will revert to corrosion control and mobility group use for which it will be adequate.

IMPACT IF NOT PROVIDED: Aircraft maintenance will be forced to continue to be accomplished out of facilities which are too small, not properly located or designed to meet current OSH criteria. This will result in personnel to be exposed to unnecessary safety and health risks.

PREVIOUS EDITIONS MAY BE USED INTERNALLY
UNTIL EXHAUSTED

1. COMPONENT AIR FORCE	FY 19 85 MILITARY CONSTRUCTION PROJECT DATA	2. DATE

3. INSTALLATION AND LOCATION GRISSOM AIR FORCE BASE, INDIANA	4. PROJECT TITLE BASE CIVIL ENGINEERING COMPLEX - PHASE I

5. PROGRAM ELEMENT	6. CATEGORY CODE	7. PROJECT NUMBER	8. PROJECT COST ($000)
1.18.96	219-000	11871	4,350

9. COST ESTIMATES

ITEM	U/M	QUANTITY	UNIT COST	COST ($000)
BASE CIVIL ENGINEERING				
COMPLEX - PHASE I	SF	59,000	58	3,422
SUPPORTING FACILITIES				510
UTILITIES	LS			(255)
SITE IMPROVEMENTS	LS			(125)
PAVEMENTS	LS			(130)
SUBTOTAL				3,932
CONTINGENCY (5.0%)				197
TOTAL CONTRACT COST				4,129
SUPERVISION, INSPECTION AND OVERHEAD (5.5%)				227
TOTAL REQUEST				4,356
TOTAL REQUEST (ROUNDED)				4,350

10. DESCRIPTION OF PROPOSED CONSTRUCTION Reinforced concrete foundation and floor, structural frame, wall, roof system, utilities and necessary support. Includes maintenance shops, administration, equipment compound, covered and open storage, vehicle parking and back-up power and air conditioning. Air Conditioning - 60 Tons.

11. REQUIREMENT: 96,400 SF ADEQUATE: 21,400 SF SUBSTANDARD: 93,200 SF

PROJECT: Construct a base civil engineer complex. This is Phase I of a two-phased project to replace existing substandard facilities.

REQUIREMENT: Adequate space, properly sized and configured, is required in which the base engineer can effectively, efficiently and safely accomplish the various shop, vehicle, road, pavement, storage and administrative functions necessary in the maintenance and upkeep of the base and related mission activities.

CURRENT SITUATION: Base civil engineer functions are currently housed in twelve separate widely scattered buildings, five of which are over forty years old and structurally unsound as is one other that is over twenty five years old. These facilities are energy inefficient and lack adequate electrical and mechanical systems. The separate facilities restrict effective control and assignment of the workforce. The inability to consolidate work control, planning, and associated administrative functions with or near the maintenance shops increases the difficulty and effort required to develop work schedules and plans, and obtain supplies. Two buildings are considered too small and not properly located for continued base engineer use and will revert to medical storage and aircraft maintenance activities for which they will be adequate. The remaining four buildings will be retained in their current use. Six buildings will be disposed of as a result of this project.

IMPACT IF NOT PROVIDED: The age and condition of the existing substandard buildings to be replaced are such that they seriously jeopordize the base civil engineer's capability to support the base mission.

Senator QUAYLE. Do these projects meet the required design complete criteria sufficiently enough to be included as add-ons in the fiscal year 1985 MILCON bill?

ANSWER. Yes. The design of these projects will be completed in October 1984 which will allow them to be awarded with fiscal year 1985 funds if available.

Senator THURMOND. Before we adjourn, I want to introduce to those present here the son of Mr. Jim Smith, Sergeant Chuck Smith, who is now with the 82d Airborne Division at Fort Bragg, NC, and his wife, Beth.

We are glad to have you with us.

We just want to tell you that your father is doing an outstanding job here with the Armed Services Committee. We hope you will do just as well, and I am sure you will, at Fort Bragg.

The subcommittees will stand adjourned.

[Whereupon, at 11:52 a.m., the subcommittees adjourned, to reconvene upon the call of the Chair.]

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